



**KENYA PIPELINE
COMPANY PLC**

Kenya Pipeline Sustainability Report

2025

KPC

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Abbreviations

Abbr.	Meaning	Abbr.	Meaning
AGPO	Access to Government Procurement Opportunities	ESG	Environmental, Social and Governance
DOSHS	Directorate of Occupational Safety and Health Services	ESIA	Environmental and Social Impact Assessment
EMCA	Environmental Management and Coordination Act	EWURA	Energy and Water Utilities Regulatory Authority (Tanzania)
EPRA	Energy and Petroleum Regulatory Authority	HSC	Head of State Commendation
ERM	Enterprise Risk Management	ICPAK	Institute of Certified Public Accountants of Kenya
GHG	Greenhouse Gas	ILO	International Labour Organization
GRI	Global Reporting Initiative	IMS	Integrated Management System
ISO	International Organization for Standardization	INUKA	KPC Foundation Scholarship Programme for Students with Disabilities
KEPSA	Kenya Private Sector Alliance	KAA	Kenya Airports Authority
KNCCI	Kenya National Chamber of Commerce and Industry	KDF	Kenya Defence Forces
KPOWU	Kenya Petroleum Oil Workers Union	KES	Kenya Shilling
KPRL	Kenya Petroleum Refineries Limited	KFS	Kenya Forest Service
MIOG	Morendat Institute of Oil and Gas	KMA	Kenya Maritime Authority
MNET	Mombasa–Nairobi Pipeline System	KN	Kenya Navy
NEMA	National Environment Management Authority	KPA	Kenya Ports Authority
NGAOs	National Government Administrative Officers	KPC	Kenya Pipeline Company
NSSF	National Social Security Fund	LTIFR	Lost Time Injury Frequency Rate
OSHA	Occupational Safety and Health Act	NCTTCA	Northern Corridor Transit Transport Coordination Authority
OHSAS	Occupational Health and Safety Assessment Series	OGW	Order of the Golden Warrior
PIEA	Petroleum Institute of East Africa	OSMAG	Oil Spill Mutual Aid Group
PPRA	Public Procurement Regulatory Authority	PIG	Pipeline Inspection Gauge

Abbr.	Meaning	Abbr.	Meaning
SCAC	State Corporations Advisory Committee	SC	Senior Counsel
SCADA	Supervisory Control and Data Acquisition	SDG	Sustainable Development Goal
SHE	Safety, Health and Environment	SASB	Sustainability Accounting Standards Board
SRC	Salaries and Remuneration Commission	IFRS	International Financial Reporting Standards
CBS	Chief of the Order of the Burning Spear	NDC	Nationally Determined Contribution
CFA	Community Forest Association	SBTi	Science Based Targets initiative
COFEK	Consumers Federation of Kenya	LT-LEDS	Long-Term Low Emission Development Strategy
CREAW	Centre for Rights Education and Awareness	SOCa	Safety Observation and Corrective Action
EAPTA	East Africa Petroleum Transporters Association	TRIFR	Total Recordable Injury Frequency Rate
EBS	Elder of the Order of the Burning Spear	UNGC	United Nations Global Compact
EIA	Environmental Impact Assessment	VTTI	VTTI B.V. (global bulk liquid storage company)

About this Report

This Sustainability Report presents Kenya Pipeline during the reporting period FY 2025/26.

Reporting framework and standards

In preparing this report, KPC applied GRI 1: Foundation 2021, GRI 2: General Disclosures 2021 and GRI 3: Material Topics 2021. Disclosures relating to material sustainability topics have been prepared in accordance with the relevant GRI Topic Standards and the GRI 11: Oil and Gas Sector Standard 2021, which provides sector-specific guidance applicable to organizations operating within the oil and gas value chain.

This report is also informed by, and aligned to, complementary international and national reporting frameworks to serve the information needs of investors and the wider public:

- **SASB Standards** – the Oil & Gas: Midstream industry standard (EM-MD), addressing financially material sustainability metrics for pipeline operators (see the SASB Content Index in the Appendices).
- **IFRS S1 and IFRS S2** – the IFRS Sustainability Disclosure Standards on general sustainability-related and climate-related disclosures. A summary of alignment across governance, strategy, risk management and metrics & targets is provided in the climate chapter and the Appendices.

- **United Nations Sustainable Development Goals (UN SDGs)** – nine priority SDGs mapped to our material topics.
- **Nairobi Securities Exchange (NSE) ESG Disclosures Guidance Manual** – guiding listed-entity ESG reporting practice in Kenya.

Comparative reporting basis

FY2024/25 constitutes KPC’s sustainability reporting **baseline year**. Where reliable data is available, FY2023/24 figures are presented for historical context, and FY2025/26 comparative columns are provided throughout the report to support year-on-year performance analysis in the next reporting cycle. Where FY2025/26 data was not yet available at the date of publication, tables display the symbol ▲, denoting “*to be populated*”, together with the guidance notes in Appendix C describing the data required, its owner and the collection method. This approach reflects our commitment to progressive, decision-useful disclosure.

Reporting period, frequency and boundary

This report covers the period from 1st July 2025 to 30th June 2026, aligned with KPC’s annual financial reporting cycle. KPC intends to publish sustainability disclosures regularly as part of future annual reporting cycles.

Reporting boundary

The organizational reporting boundary for this report includes:

- Kenya Pipeline Company PLC (KPC).
- Kenya Petroleum Refineries Limited (KPRL), a subsidiary of KPC.

Restatements of information

As this is KPC’s inaugural Sustainability Report, there are no restatements of previously reported sustainability information.

Report assurance

The disclosures contained in this report have been subjected to internal assurance through KPC’s Internal Audit function, which reviewed the reporting process, underlying data sources and the consistency of reported information with corporate records. The Board Audit Committee provided oversight of the assurance process.

This report has not been externally assured. KPC will progressively strengthen its sustainability data governance and may consider independent external assurance of selected disclosures in future reporting cycles, in line with evolving IFRS S1/S2 and regulatory expectations.

Contact and stakeholder feedback

KPC welcomes stakeholder feedback on this report and on our sustainability initiatives and disclosures.

Call centre: +254 709 723 000

Email: info@kpc.co.ke

Customer service: customerservice@kpc.co.ke

Message from the Board Chair

It gives me great pleasure to present the Kenya Pipeline Company's inaugural Sustainability Report for the year ended 30th June 2025.

This report reflects KPC's growing commitment to responsible business practices, transparency and long-term value creation as we continue to strengthen our role as a strategic national energy infrastructure company serving Kenya and the wider East African region.

As the energy sector continues to evolve, organizations are increasingly expected to demonstrate not only strong operational performance, but also sound environmental, social and governance practices. At KPC, we recognize that sustainability is becoming increasingly central to operational resilience, stakeholder confidence and long-term business success. The Board therefore remains committed to ensuring that sustainability considerations are integrated into the Company's governance structures, strategic direction and enterprise risk management processes.

During the reporting period, the Board continued to provide oversight on key strategic priorities, including operational reliability, infrastructure integrity, environmental stewardship, occupational health and safety, stakeholder engagement and institutional resilience. We also continued to support initiatives aimed at strengthening emergency preparedness, improving operational efficiency and advancing infrastructure modernization across the business.

A key milestone during the year was the completion of KPC's greenhouse gas emissions baseline assessment. This represents an important step in strengthening the Company's climate-related disclosures and provides a foundation for future emissions management, operational efficiency improvements and alignment with evolving sustainability reporting expectations.

The Board recognizes the importance of constructive stakeholder engagement in building a sustainable and resilient organization. Throughout the year, the Company engaged regulators, customers, host communities, employees, government agencies and business partners to understand stakeholder expectations and emerging sustainability priorities better. These engagements continue to inform our decision-making and reinforce the importance of maintaining high standards of safety, environmental responsibility, transparency and accountability.

As KPC progresses towards its Vision 2030 aspiration of becoming Africa's premier oil and gas company, sustainability will remain a key enabler of our long-term strategy. We remain committed to strengthening our systems, enhancing operational resilience and creating sustainable value for our stakeholders while supporting Kenya's economic development and regional energy security.

On behalf of the Board of Directors, I wish to thank our shareholders, customers, employees, regulators, business partners and all stakeholders for their continued trust, collaboration and support.

Together, we remain committed to building a resilient, responsible and future-ready Kenya Pipeline Company.

Faith J. Boinett, Chairperson, Board of Directors

Message from the Managing Director

I am pleased to present Kenya Pipeline Company's Sustainability Report for the year ended 30th June 2025.

This report highlights the progress the Company continues to make in integrating environmental, social and governance considerations into its operations, decision-making processes and long-term strategic priorities. It reflects our commitment to operating responsibly while delivering on our mandate as a critical energy infrastructure provider serving Kenya and the wider East African region.

During the reporting period, KPC continued to operate in a dynamic environment characterized by evolving stakeholder expectations, infrastructure resilience considerations and increasing focus on climate-related risks and opportunities. Despite these challenges, the Company remained focused on ensuring the safe, reliable and efficient transportation and storage of petroleum products while strengthening operational sustainability across the business.

Operational integrity, environmental stewardship and safety remained key priorities throughout the year. KPC continued to implement initiatives aimed at strengthening pipeline integrity management, emergency preparedness, environmental monitoring and incident response capability across its operations. The Company also maintained a strong focus on occupational health and safety through continuous training, statutory compliance, risk assessments and reinforcement of safety culture across operational sites.

A major milestone achieved during the reporting period was the completion of KPC's greenhouse gas emissions baseline assessment. This assessment has enabled the Company to better understand its emissions profile across the Scope 1, Scope 2 and Scope 3 categories. It provides an important foundation for future climate-related reporting, emissions management initiatives and operational efficiency improvements.

The Company also continued to strengthen stakeholder engagement across its operations. Through engagement with regulators, customers, employees, host communities and infrastructure partners, KPC gained valuable insights into emerging sustainability concerns and opportunities. These engagements continue to support continuous improvement and reinforce our commitment to transparency, accountability and responsible corporate citizenship.

Our people remain at the heart of our success. I wish to sincerely thank all KPC employees for their dedication, professionalism and commitment throughout the reporting period.

As we look ahead, KPC remains committed to infrastructure modernization, operational efficiency, the integration of sustainability and strengthening institutional resilience. We will continue building on the progress made while positioning the Company to respond effectively to the evolving energy landscape.

I also wish to express my appreciation to the Board of Directors, our customers, regulators, shareholders, business partners and all stakeholders for their continued support and confidence in Kenya Pipeline Company.

FCPA Pius Mwendwa,

Acting Managing Director

Organizational Profile

Who We Are

Kenya Pipeline Company PLC (KPC) is the national energy logistics company responsible for transporting, storing and delivering petroleum products across Kenya and supporting regional fuel supply chains. Since its establishment in 1973, KPC has developed and operated the strategic pipeline infrastructure that forms the backbone of Kenya's petroleum distribution system.

Through a network of pipelines, depots, terminals, and control facilities, we connect the coastal petroleum import hub in Mombasa with inland markets, including Nairobi, Nakuru, Eldoret, and Kisumu. This infrastructure plays a central role in maintaining national fuel supply reliability, supporting industrial activity and enabling regional petroleum trade across East Africa.

Our operations, therefore, combine technical infrastructure management with a public service mandate: ensuring that petroleum products move safely, efficiently and reliably across the country.

Our mandate

Our mandate is to develop, own, manage, operate and refine petroleum pipeline infrastructure for the transportation of petroleum products from Mombasa to Nairobi and across East Africa.

This includes:

- Refining crude petroleum product at Kenya Petroleum Refineries for distribution of petroleum products and Liquefied Petroleum Gas (LPG).
- operating related pumping, storage and distribution facilities;
- constructing and maintaining associated installations; and
- marketing, processing and distributing petroleum products and related goods and services.

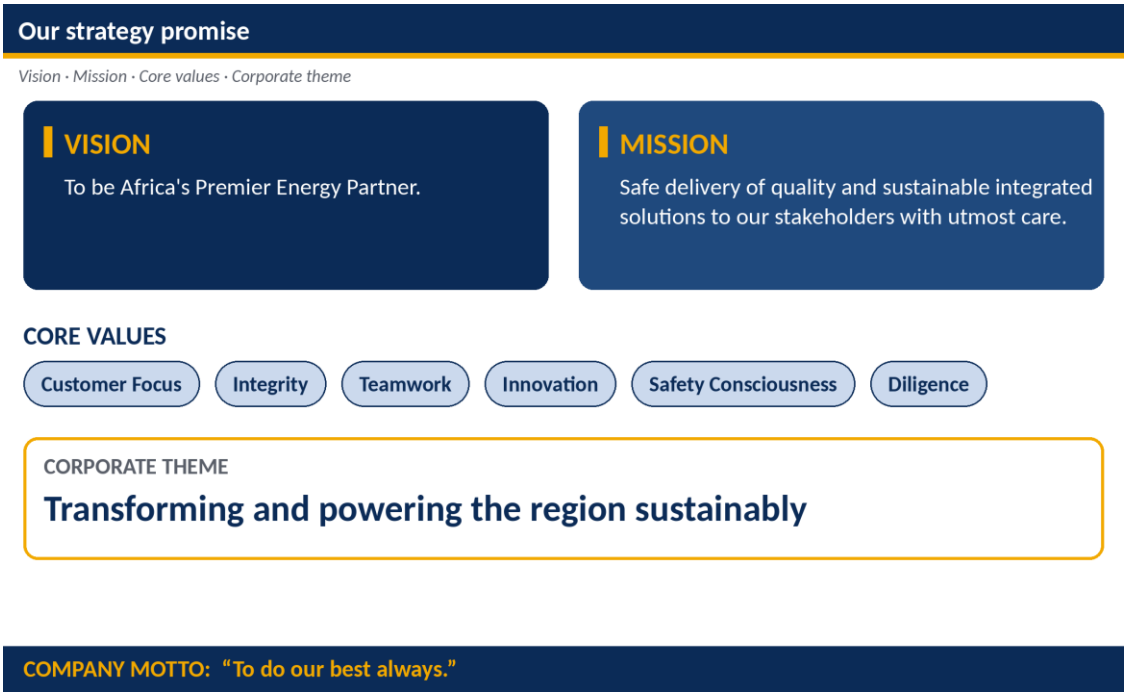
As Kenya's operator of the only crude petroleum refinery and national pipeline network, we enable the efficient movement of imported petroleum products from the Port of Mombasa to inland demand centres and distribution hubs across the country.

By refining and transporting fuel through pipelines rather than long-distance road trucking, we contribute to:

- reduced road congestion and lower accident risk;
- lower GHG emissions by reducing reliance on long-distance road transport;
- improved efficiency and reliability in fuel distribution;
- lower logistics costs across the petroleum supply chain; and
- greater national energy security.

Our infrastructure supports a wide range of economic sectors, including manufacturing, aviation, transport, agriculture and essential services. As custodians of critical national infrastructure, we operate with a strong focus on safety, environmental stewardship and responsible management of public assets.

Our philosophies



Key Aspect	Snapshot
Establishment	Incorporated in 1973 under the Companies Act of Kenya
Commercial operations	Pipeline operations commenced in 1978
Ownership	Government of Kenya, through the National Treasury, with a fractional interest held by the Ministry responsible for petroleum
Core service	Transportation, storage and handling of refined petroleum products
Pipeline network	Approximately 1,342 km of pipeline infrastructure across Kenya
Annual system handling capability	14,000,000 cubic metres
Storage capacity	Approximately 1,138,324 cubic metres
Major depots	Mombasa, Nairobi, Nakuru, Eldoret and Kisumu
Key infrastructure	Pumping stations, storage terminals, truck and rail loading facilities and aviation fuel systems
Regional role	Supports petroleum distribution within Kenya and regional transit trade

Our infrastructure enables petroleum products imported through the Port of Mombasa to move efficiently to inland markets and neighbouring countries, making KPC a central component of Kenya's energy supply system.

Key Sustainability Highlights

The reporting period marked an important milestone in Kenya Pipeline Company's operational excellence and strategic journey, as we commenced implementing our five-year Corporate Strategic Plan (2025–2030), which prioritizes sustainability, innovation, infrastructure modernization, and regional integration. Against this backdrop, the highlights below provide a consolidated snapshot of our financial, environmental, social, operational capacity, infrastructure reliability, and strategic progress during the year.

Financial Performance

KPC maintained strong financial performance during the reporting period, reflecting sustained demand for petroleum transportation and storage services and disciplined cost management across the pipeline system.

Indicator	2023/24	2024/25	2025/26
	KShs	KShs	▲
Revenue	35,369,329,508	38,593,631,086	▲
Profit before tax	9,901,711,041	15,975,799,273	▲
Profit after tax	6,776,126,071	10,168,183,105	▲
Total assets	122,881,498,612	145,385,749,159	▲

The improvement in revenue and profitability reflects stable petroleum throughput volumes and efficient infrastructure utilization.

Continued investment in asset integrity, operational systems, and infrastructure maintenance also helped sustain reliable operations across the national pipeline network.

Operational Performance

KPC's pipeline system continued to operate as the primary petroleum logistics backbone for Kenya's economy. The system transports petroleum products from the coastal import hub in Mombasa to inland depots and markets across the country.

Indicator	FY2025
Pipeline network length	1,342 km
Petroleum throughput	9,061,292.82 cubic metres
Annual system handling capability	14 million cubic metres
Total storage capacity	1,138,324 cubic metres
Major depots	Mombasa, Nairobi, Nakuru, Eldoret, Kisumu
Aviation fuel facilities	2 major aviation depots

Through this infrastructure network, KPC enables the reliable supply of petroleum products to industrial, commercial and transport sectors across Kenya.

Infrastructure and System Reliability

Maintaining the integrity and reliability of national petroleum infrastructure remains a core operational priority. During the reporting period, the Company continued implementing preventive maintenance programmes, infrastructure inspections, and monitoring systems to ensure safe pipeline operations.

Operational focus areas included:

- Pipeline integrity management and inspection programmes
- Terminal and depot reliability improvements
- Preventative maintenance across pumping stations and storage facilities
- Continuous monitoring through pipeline control systems
- Emergency preparedness and incident response capability

These measures are essential for maintaining uninterrupted petroleum transport while safeguarding communities, employees and the environment along the pipeline corridor.

Our Corporate Strategic and Organisational Progress

The reporting year marks the final phase of implementing Vision 2025, KPC's long-term corporate strategy launched in 2015. The strategy focused on expanding pipeline capacity, strengthening operational systems and positioning KPC as a leading regional energy logistics company.

During the strategy period, KPC achieved several important milestones, including:

- Expansion and modernization of pipeline infrastructure.
- Strengthening of corporate governance and operational systems.
- Establishment of Morendat Institute of Oil and Gas (MIOG) as a sector training centre.
- Integration of Kenya Petroleum Refineries Limited (KPRL) as a wholly owned subsidiary.

Building on these achievements, KPC adopted a new Strategic Plan for 2025–2030, focusing on four key pillars and the following objectives:

Pillar	Strategic Objective
Diversification and Growth	Enhance infrastructure capacity to support business growth Business diversification Enhance market position
Operational Excellence	Enhance operational efficiency Enhance energy efficiency Implement secure and flexible integration platforms
Environmental Social and Governance (ESG)	Integrate environmental stewardship across KPC Environmental Social and Governance (ESG) Embed ESG in KPC Enhance KPC social standing Strengthen governance
People	Proactive workforce planning Drive learning and performance excellence Embed strong social principles in the workforce Foster an inclusive and adaptive culture

These pillars aim to strengthen infrastructure performance, improve service delivery and position KPC within a rapidly evolving regional energy landscape.

Sustainability within the Corporate Strategic Plan 2025–2030

Sustainability within the Corporate Strategic Plan 2025–2030

Key targets and aims anchoring the ESG agenda

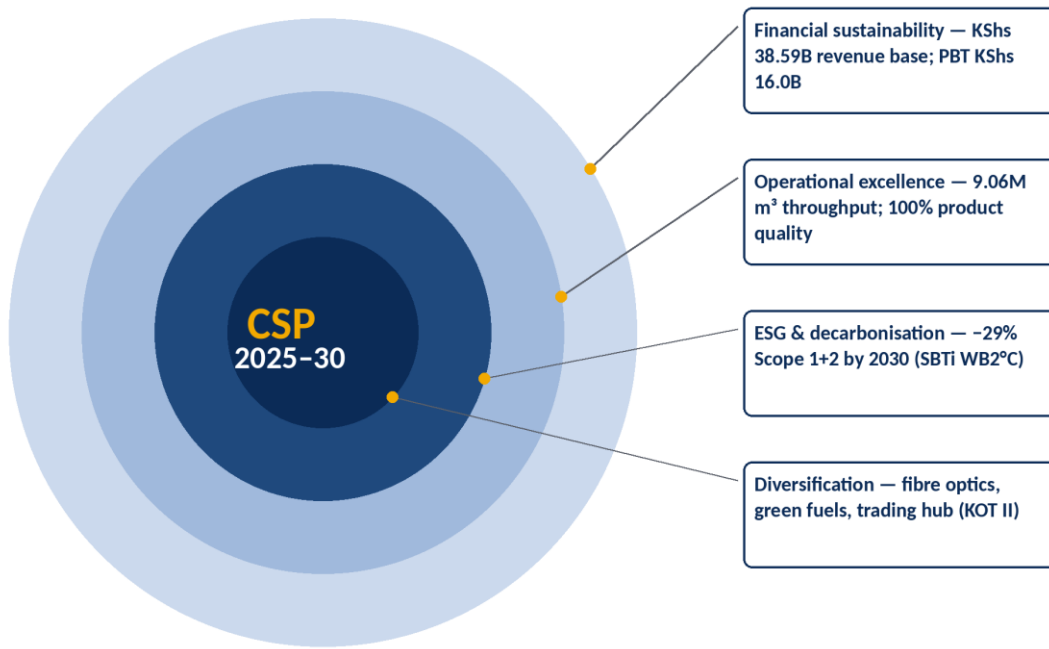


Figure C: CSP 2025–2030 — key targets and aims

Sustainability is embedded as a dedicated ESG pillar of the Corporate Strategic Plan (CSP) 2025–2030, alongside Diversification & Growth, Operational Excellence and People. Under the ESG pillar, the CSP commits KPC to integrate environmental stewardship across the business, embed ESG in decision-making, enhance KPC’s social standing and strengthen governance.

- Development and implementation of an **Energy Transition Framework** (2025/26 review cycle), targeting a 5% reduction in energy use, progressive solarization of pumping stations, and growth of renewable energy as a share of KPC’s total energy utilization.
- **Solarisation of KPC Headquarters** as a pilot clean-energy project, with expected reductions in power costs and Scope 2 emissions.
- Revenue diversification through **Sustainable Aviation Fuel (SAF)**, 10% ethanol blending into motor gasoline, and development of a **carbon-credit programme** spanning LPG, SAF, hydrogen and ammonia opportunities.
- Commercialization of the KPRL power plant with renewable-energy utilization targets.

These commitments link directly to the decarbonization roadmap presented in the climate chapter of this report and to Kenya’s Nationally Determined Contribution (NDC) trajectory.

Corporate Strategic Plan 2025–2030 — pillars and enablers



Figure D: CSP 2025–2030 corporate pillars and enablers

Diversification and future growth: powering the region into a sustainable future

Beyond the pipeline, KPC is building complementary revenue streams that de-risk the business through the energy transition and extend our value to the digital economy:

- **Fibre optic connectivity (existing alternative revenue stream):** KPC leases capacity on the fibre optic backbone laid along the pipeline corridor, providing high-capacity connectivity between the coast, Nairobi and western Kenya and generating non-fuel revenue from existing wayleaves. With the Artificial Intelligence IT sector on a growth trajectory across the world requiring large data set movement, fibre optic and data centres are becoming a growth opportunity that KPC is reviewing as a potential major revenue diversification stream. The potential is based on strategic land holdings, access to power infrastructure and national fibre assets position the Company to host and enable data-centre and AI-compute investment — a growth market aligned with Kenya’s digital economy agenda.
- **Green fuels:** under the CSP 2025–2030, KPC is pursuing Sustainable Aviation Fuel (SAF) handling, 10% ethanol blending into motor gasoline, and green hydrogen and green ammonia opportunities for the petrochemical industry and export markets as part of green energy initiatives in partnership with various stakeholders. This opportunity will also result in optimization of the dis-used refinery infrastructure at KPRL.
- **Marine and lake gateways (KOTII & KOJ):** KPC supports import-export capability at the coastal hub anchored on the Kipevu Oil Terminal (KOT II) deep-water facility and lake-region trade through the Kisumu Oil Jetty (KOJ), strengthening regional supply integration. KOT II further supports trading-hub opportunities through utilization of KPC storage infrastructure for product trading in partnership with refineries, including backloading operations to countries around the region.

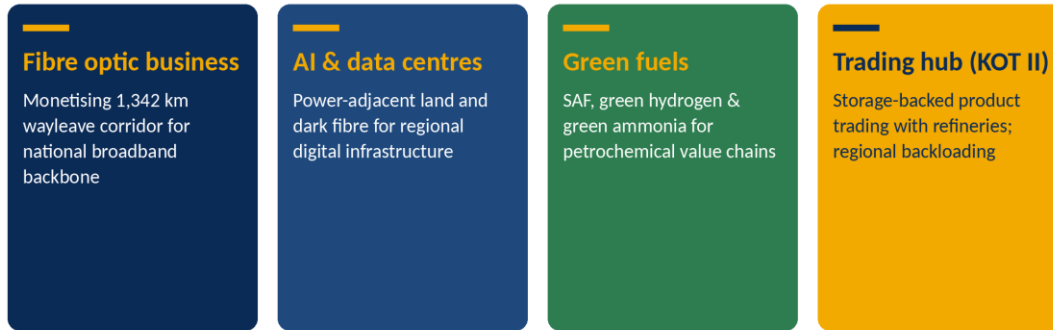


Figure 2: Diversification and future-growth streams

Economic and national impact

Through its operations, KPC plays a critical role in supporting Kenya's economic development and energy security. The Company's infrastructure enables efficient distribution of petroleum products across the country while supporting regional fuel transit within East Africa.

Key national contributions include:

- Supporting stable supply of petroleum products for industry, aviation and transport.
- Reducing dependence on long-distance fuel trucking.
- Enhancing safety through pipeline-based transportation.
- Supporting regional trade and petroleum logistics.

By maintaining reliable energy logistics infrastructure, KPC contributes to economic productivity, public safety and national resilience.

Our geographic footprint and infrastructure

KPC operates an integrated petroleum logistics system extending from the coastal import terminal in Mombasa to inland distribution centres across Kenya.

The pipeline corridor includes pumping stations, control facilities and terminals located at key operational points, including Samburu, Maungu, Manyani, Mtito Andei, Makindu, Sultan Hamud, Konza and Nairobi. Inland depots in Nakuru, Eldoret and Kisumu support regional fuel distribution and storage.

In addition to pipeline transport infrastructure, KPC operates aviation fuel facilities serving major airports, including Jomo Kenyatta International Airport in Nairobi and Moi International Airport in Mombasa.

These facilities operate as a coordinated logistics system, supported by digital monitoring systems, preventive maintenance programmes, and emergency preparedness capabilities, designed to maintain safe, uninterrupted operations.

KPC pipeline and facilities footprint

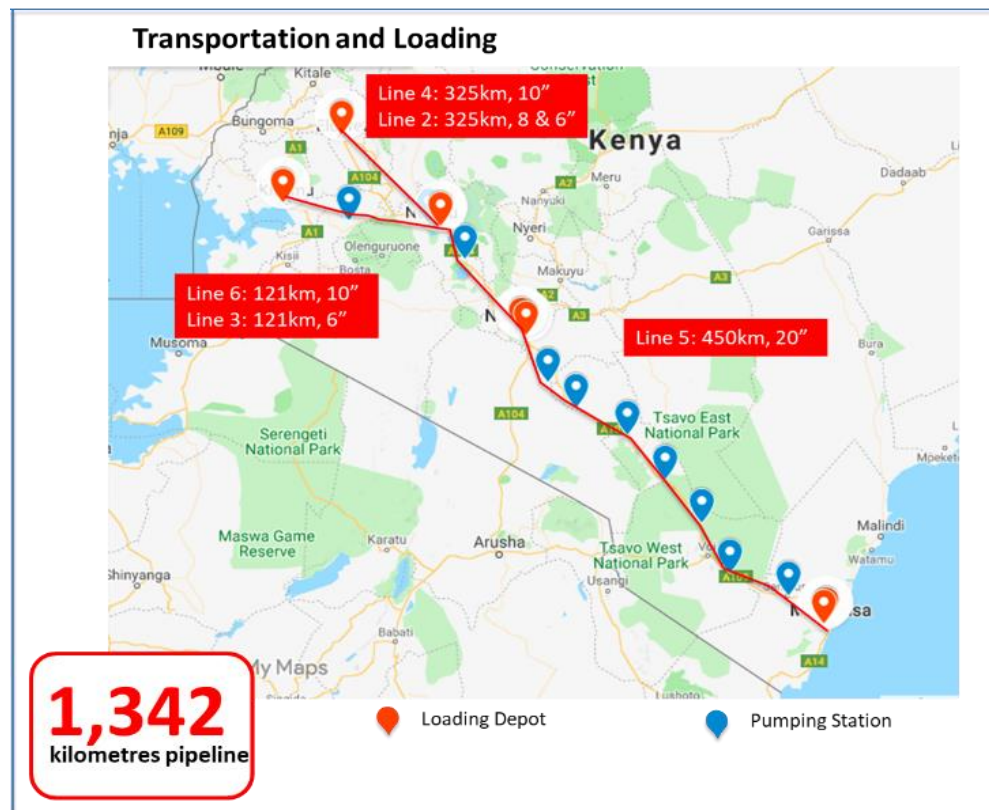


Figure 3: KPC pipeline network and infrastructure footprint (Source: CSP 2025–2030 / KPC Facts & Figures 2024)



Figure 4: Strategic storage and loading infrastructure

Operational control and monitoring — SCADA, leak detection and security



Technical control facility walkthrough, PS25



Safety Relief System instrumentation — proactive pressure control



Bottom-loading facility instrumentation review



Facility systems walk-down with technical teams

Figure E: Operational control and monitoring — SCADA, leak detection, intrusion and security

Our Business Model

Our business model centres on providing reliable petroleum logistics infrastructure that connects fuel import points with inland demand centres across Kenya and the region. Through safe transportation, storage and handling of petroleum products, we enable stable supply chains that support economic activity, mobility and essential services.

Key inputs: Our operations rely on skilled employees and specialized technical expertise, a national pipeline and storage infrastructure network, monitoring and control technologies, capital investment and strategic partnerships, as well as the natural and environmental resources along the pipeline corridor where our assets operate.

Core activities: Using these resources, we receive petroleum products at coastal import terminals and transport them through our national pipeline network to inland depots. Our operations include storage and terminal management, continuous inspection and maintenance of pipeline infrastructure, product quality checks, asset integrity management, and the operation of safety systems and emergency response capabilities.

Outputs: Through these activities, we deliver reliable petroleum transportation and storage services that support stable fuel supply chains across Kenya and the region while ensuring compliance with safety, environmental and regulatory requirements.

Outcomes and impacts: The outcomes of our business model extend beyond operational outputs. By enabling efficient fuel distribution through pipelines, we strengthen national energy security, reduce reliance on long-distance fuel trucking, improve road safety and reduce congestion, and support economic growth and regional trade.

Our value chain

KPC operates in the midstream segment of the petroleum value chain and interacts with a range of partners and stakeholders.

Segment	Activities
Upstream	Suppliers and contractors providing equipment, engineering, maintenance and professional services.
Core operations	Pipeline transport, storage, monitoring and distribution of petroleum products.
Downstream interface	Oil marketing companies, aviation fuel suppliers and distribution networks.

Through procurement systems, supplier engagement and operational coordination, we influence safety standards and service reliability across the value chain.

Our Legal Structure and Subsidiaries

Kenya Pipeline Company is incorporated under the Companies Act of Kenya and operates as a government-owned state corporation.

To enhance operational efficiency and sectoral capability development, KPC operates within a group structure comprising controlled entities and a strategic subsidiary.

Kenya Petroleum Refineries Limited (KPRL), a wholly owned subsidiary of KPC, since October 2023. The subsidiary provides strategic petroleum infrastructure, including storage facilities and product-quality services, to support national petroleum supply operations.

Morendat Institute of Oil and Gas (MIOG), a training institution established to strengthen technical capacity in the oil and gas sector. The institute operates campuses in Nairobi, Naivasha and Eldoret and contributes to human capital development for Kenya's energy industry.

KPC's Strategic Journey

KPC's growth has been shaped by key milestones that have strengthened its role as a national and regional energy infrastructure provider.

1973	Kenya Pipeline Company was established
1978	Commercial pipeline operations commence
1990s–2000s	Expansion of the national pipeline network and inland depots
2015	Launch of Vision 2025 corporate strategy
2023	Kenya Petroleum Refineries Limited becomes a wholly owned subsidiary
2025	Completion of Vision 2025 strategic cycle

1973	Kenya Pipeline Company was established
2025	Launch of the 2025–2030 Strategic Plan
2026	KPC is listed on the Nairobi Securities Exchange (NSE) following a Government of Kenya initial public offering.

Operating Environment and Regulatory Oversight

KPC operates within Kenya’s regulatory framework governing petroleum infrastructure, environmental protection and occupational safety. Key regulatory institutions overseeing our operations include:

- Energy and Petroleum Regulatory Authority (EPRA)
- National Environment Management Authority (NEMA)
- Directorate of Occupational Safety and Health Services (DOSHS)

Through compliance systems, inspections and regular engagement with regulators, we ensure that our operations meet applicable licensing, environmental and safety requirements.

Approach to Stakeholders Engagement



Figure F: Workers and stakeholders’ engagement across our operations

As a national infrastructure operator, KPC interacts with a diverse range of stakeholders who influence, or are influenced by, our operations and strategic decisions. These include government institutions, regulators, customers, suppliers, contractors, industry associations and communities located along the pipeline corridor and around our operational facilities.

We identify and engage with stakeholders based on their relationship to our operations, their potential exposure to the impacts of our activities and their influence on our ability to deliver safe, reliable and

responsible energy logistics services. Through structured engagement processes, we seek to understand stakeholder expectations, concerns and priorities, and to integrate these insights into our decision-making, operational planning and risk management processes.

Effective stakeholder engagement supports operational continuity, strengthens transparency and accountability, and helps us manage the economic, environmental and social impacts associated with petroleum logistics infrastructure. It also enables us to build trust, maintain our social licence to operate and collaborate with stakeholders to improve safety, environmental protection and service delivery across the petroleum supply chain.

GOVERNANCE STRUCTURE

OUR LEADERSHIP

The Board of Directors and Executive Management Team provide strategic oversight and operational leadership to KPC. The Board guides the company's long-term direction, oversees governance, and ensures accountability in delivering the company's mandate.

Together, the leadership team brings expertise in public policy, finance, engineering, legal affairs, supply chain management, strategy, and organisational leadership. This combination of competencies supports KPC's role in safeguarding Kenya's petroleum supply chain while advancing operational excellence and long-term value creation.

Board of Directors and Executive Management

Name	Role	Status
Faith J. Boinett (Mrs)	Chairperson, Board of Directors	Independent Non-Executive
FCPA Pius Mwendwa	Acting Managing Director	Executive
Hon. CPA John Mbadi, EGH	Cabinet Secretary, National Treasury & Economic Planning	Ex-Officio
Dr. Chris Kiptoo, CBS	Principal Secretary, The National Treasury & Economic Planning	Ex-Officio
Hon. Dorcas Oduor, SC, EBS, OGW	Attorney-General	Ex-Officio
Hon. Christopher Odhiambo Karani	Non-Executive Director; Chair, Board Technical Committee	Independent
Mutungwa Wambua	Non-Executive Director; Chair, Board Human Resources Committee	Independent
Martha Miano	Non-Executive Director	Independent
Irene Wachira	Non-Executive Director; Chair, Board Audit Committee	Independent
Hon. Joyce Emanikor	Non-Executive Director; Chair, Board Finance Committee	Independent

Name	Role	Status
Abraham Koech	Non-Executive Director	Independent
MANAGEMENT TEAM		
Zilper Michelle Abong'o	GM, Strategy & Commercial Services	Executive Management
Dinah J. Kirwa	GM, Human Resource & Administration	Executive Management
Eng. Moses Tawuo	Ag.GM, Pipeline Operations & Maintenance	Executive Management
Nancy Rono	Ag.GM, Supply Chain	Executive Management
Caxton Njuga	Ag.GM, Internal Audit	Executive Management
Antony Ndegwa	Ag.GM, Finance	Executive Management
Eng. David Muriuki	GM, Infrastructure	Executive Management
Flora Okoth	GM, Legal Services & Company Secretary	Executive Management
Dr. Nancy Kosgei	Director, Morendat Institute of Oil and Gas	Executive Management

Board Finance Committee and its ESG Subcommittee — sustainability commitment

The Board Finance Committee, through its dedicated ESG Subcommittee, anchors sustainability at the highest level of decision-making. The Subcommittee oversees the integration of environmental, social and governance considerations into corporate strategy, capital allocation and enterprise risk management, ensuring that the ambitions of the Corporate Strategic Plan 2025–2030 are matched by measurable ESG performance.

During FY2024/25 the Subcommittee guided the completion of the inaugural GHG baseline, the double-materiality assessment co-reviewed with PwC, and the adoption of the ESG Policy and KPI Framework. It reviewed climate-related risks and opportunities in line with IFRS S1 & S2 and endorsed the decarbonization roadmap aligned to the SBTi Well-Below-2°C pathway and Kenya's NDC 3.0.

The Committee's promise to shareholders and stakeholders is clear: ESG management is a driver of business value creation — protecting the license to operate, reducing cost and risk, opening green-growth opportunities, and strengthening access to sustainable finance as the Company diversifies.

Looking ahead, the Subcommittee will track delivery of the –29% Scope 1+2 reduction pathway to 2030, oversee annual GHG inventories through the sustainability working model, and steer assurance-readiness of ESG disclosures for the Nairobi Securities Exchange. ▲

Governance Structures

Strong governance is fundamental to safeguarding national infrastructure, delivering on our mandate, and maintaining public trust. During this transitional period, an array of governance structures guided our operations. This includes; the Companies Act, the State Corporations Act, our Board Charter and the Mwongozo Code of Governance for State Corporations. Following the listing the firm's governance relied on its own set of policies and regulatory requirements to run its operations.

The Board of Directors is the Company's highest governance body and is responsible for providing strategic direction, oversight, and accountability in line with our public mandate. The Board oversees the implementation of strategic plans, major policies, budgets, business plans and enterprise-wide controls, while Management is responsible for day-to-day execution.



The Board

As of 30th June 2025, the Board comprised eleven (11) members, including one (1) Executive Director and ten (10) Non-Executive Directors, including alternates. The Board is chaired by an independent Non-Executive Chairperson, while the Managing Director serves as the sole Executive Director.

Note: Board and executive composition presented in this report reflects effective changes at the date of publication, including the appointment of FCPA Pius Mwendwa as Acting Managing Director.

The Board's composition reflects a broad mix of professional experience and competencies relevant to KPC's mandate. These include corporate governance, strategy, finance, engineering, legal and regulatory compliance, public policy, human resource management, logistics, communications, sustainability, risk oversight and community development.

Board composition summary

Category	Position as at 30 th June 2025
Total Board members	13
Executive Directors	1
Non-Executive Directors	12
Independent members	7
Female members	6
Male members	7

During the reporting period, the Board underwent changes through appointments and cessations as part of normal governance processes. The following directors ceased serving during the year:

Director	Position	Date of cessation
Jane Njeri Mwangi	Independent	07 th March 2025
Eng. Edward Musebe	Independent	23 rd May 2025
Mohamed Birik	PS Energy and Petroleum Alternate	22 nd April 2026
Sharon Irung Asiyo	Attorney General Aternate	22 nd April 2026

Board chairperson

The Chairperson of the Board is a non-executive independent Director and does not hold an executive management role. She provides leadership to the Board, facilitates effective deliberation and ensures that governance practices support the Company's strategic objectives and oversight responsibilities.

Nomination, appointment, renewal and removal of Board members

Board appointments are undertaken through a structured process governed by the Mwongozo Code, relevant legislation and the Board Charter. The process is intended to ensure that the Board collectively has the diversity, independence and competencies required to discharge its responsibilities effectively.

When considering appointments, the Company and appointing authorities emphasize diversity in gender, age, skills, professional experience, geographic background, and independence. Attention is given to competencies relevant to KPC's mandate, including accounting and finance, engineering, risk management, legal affairs, sustainability, public-sector governance, and strategic leadership.

Appointments are made by name through notices published in the Kenya Gazette. Appointed members are required to accept their appointment in writing. Board members ordinarily serve for a term of up to three years and may serve a maximum of two terms, subject to performance evaluation and applicable legal provisions.

Board appointments, tenure and succession planning are overseen by the Board's governance framework, with support from the Board Human Resources Committee on relevant succession, skills and governance matters.

Board appointments and tenure

Board members are appointed through a Gazette Notice issued by the relevant appointing authority. Each appointment is for a term of up to three years and may be renewed once, subject to performance evaluation and compliance with applicable statutory requirements.

Board committees and delegated oversight

The Board has ultimate accountability for KPC's performance and overall affairs. It oversees ESG strategy, material risks and sustainability disclosures through ESG-linked key performance indicators, annual policy reviews, stakeholder consultations on material topics aligned with the GRI Standards, and ESG compliance monitoring through an integrated Internal Audit, Risk and Compliance Framework.

To enhance efficiency and ensure more rigorous review of specialized matters, the Board operates through committee structures with defined terms of reference. These committees enable deeper oversight of matters central to KPC's long-term performance, including internal control, financial stewardship, technical operations, risk management, people management, and governance assurance.

As of 30th June 2025, the Board had four standing committees: the Board Audit Committee, the Board Finance Committee, the Board Human Resources Committee, and the Board Technical Committee. In addition, the Board had previously constituted an Ad Hoc Committee to oversee completed projects, the KPRL master plan, and the optimization of KPC assets.

Board Audit Committee

The Board Audit Committee supports the Board in maintaining effective systems, processes and internal controls and in overseeing the integrity of financial reporting and assurance arrangements. The Committee oversees the internal audit function in a process independent of Management.

As of June 2025, the Committee comprised Irene Wachira (Chairperson), Abraham Koech and Martha Wanjiru Miano. The mix of competencies within the Committee included financial strategy and investment leadership, legal and regulatory advisory services, public sector reform, governance oversight, communications, stakeholder management, and strategic analysis.

Board Finance Committee

The Board Finance Committee supports the Board in overseeing financial resources and enterprise risk management. Its mandate includes reviewing budget planning and implementation, financial performance, cash flow management, debt service, and financial strategy, including capital management and asset-liability matters.

As of June 2025, the Committee comprised Hon. Joyce Emanikor, HSC (Chairperson), Abraham Koech, Mutungwa Wambua and the Managing Director. Committee competencies included financial analysis, public policy and governance, strategic management, oversight of business operations, organizational transformation, and executive leadership.

Board Human Resources Committee

The Board Human Resources Committee oversees human resource governance and organizational capability matters. It reviews and makes recommendations on organizational structure, recruitment and selection procedures, internal promotion protocols, reward systems, and terms and conditions of service.

As of June 2025, the Committee comprised Mutungwa Wambua (Chairperson), Martha Wanjiru Miano and the Managing Director. The Committee's expertise spans human resource leadership, strategic management, communications, public administration, executive leadership and institutional strengthening.

Board Technical Committee

The Board Technical Committee assists the Board in fulfilling its oversight responsibilities on technical matters relating to petroleum transportation and storage infrastructure. It oversees and advises on pipeline and storage capacity development, expansion opportunities, project development, technical risk appraisal and operational reliability.

As of June 2025, the Committee comprised Hon. Christopher Odhiambo Karani (Chairperson) and the Managing Director. The Committee's competencies include logistics and port operations, public-sector governance, legal and regulatory oversight, executive leadership, crisis management, and infrastructure-related oversight.

Board skills and competency matrix

Key competency theme	Description (grouped skills)	Number with competency
Corporate Governance & Leadership	Corporate governance, board oversight, public sector leadership, accountability	9
Strategy & Strategic Management	Corporate strategy, planning, transformation, and change management	7
Financial Management & Oversight	Financial strategy, public finance, financial planning, investment oversight	6
Stakeholder Engagement & Communication	Stakeholder relations, partnerships, advocacy, communications	5
Human Resource & Organizational Leadership	HR management, leadership development, organizational leadership	5
Public Policy & Administration	Policy development, legislative oversight, and public administration	5
Legal, Regulatory & Compliance	Legal advisory, regulatory compliance, corporate law	3
Operations & Logistics	Commercial operations, logistics, performance management	3
Risk Management	Enterprise risk, safety oversight, and crisis preparedness	2

Key competency theme	Description (grouped skills)	Number with competency
Digital & IT Systems	IT systems, digital engagement, technology integration	2
Community Development & Social Impact	Community engagement, human development, social programmes	2
Sustainability & Environmental Governance	Environmental management, ESG, sustainability leadership	1
Security & Conflict Management	National security, peacebuilding, crisis/conflict resolution	1
Procurement & Supply Chain Governance	Public procurement advisory, supply chain oversight	1
Public Health	Public health systems and oversight	1

Oversight of impacts and delegation of responsibility

The Board oversees the Company's most significant economic, environmental, and social impacts through its review of strategy, risk, financial performance, technical operations, and compliance, including infrastructure reliability, safety and environmental compliance, enterprise risk, public accountability, and stakeholder trust. The Board also oversees the preparation and integrity of sustainability-related disclosures by reviewing strategic and risk-related information relevant to the Company's long-term performance and accountability.

The Board delegates responsibility for operational ESG management to the Executive Management Team, led by the Managing Director, and supported by General Managers for Operations, Infrastructure, Supply Chain, and Pipeline Operations, as well as departments including finance, legal services, internal audit, strategy, human resources, health, safety, and environment. Specific sustainability responsibilities are embedded in departmental key performance indicators, reviewed through the Government of Kenya/KPC Performance Contract, achieving a score of 2.8681, rated "Very Good" in FY 2024/2025.

Management regularly reports to the Board and its committees on performance, risks, compliance, major projects, and other material matters requiring governance oversight.

Conflict of interest, critical concerns and integrity safeguards

KPC maintains a conflict-of-interest register, tabled at every Board meeting. Board members are required to declare conflicts before substantive agenda items. Conflicted members are excluded from related discussions and voting.

KPC also maintains governance mechanisms to raise and address critical concerns. These include the Code of Ethics and Conduct, whistleblowing and anti-corruption processes, and internal escalation mechanisms through Management, internal audit and Board committee structures.

Board induction, continuous development and collective knowledge

To support effective governance, newly appointed Directors receive a structured induction programme within one month of appointment. This includes detailed presentations by Management on the Company’s strategy, financial performance, vision, mission, values, regulatory framework and operational footprint.

In addition to induction, the Company prepares an annual Board training calendar based on identified development needs. Directors participate in selected workshops, conferences and governance programmes to strengthen their ability to provide informed oversight.

Board performance evaluation

The Board undertakes an annual evaluation supported by the State Corporations Advisory Committee (SCAC). The evaluation is conducted using a 360-degree approach under which members assess the performance of the Board as a whole, the Chairperson, individual Directors, the Managing Director, the Company Secretary and the Internal Auditor.

The Board evaluation for 2023/24 was conducted on 24 September 2024, and the results were submitted by SCAC in November 2024. A summary of key findings and follow-up actions may be disclosed once approved for publication.

Board evaluation follow-up

Item	Disclosure/status
Date of the latest Board evaluation	24-Sep-24
Conducted by	State Corporations Advisory Committee (SCAC)
Methodology	360-degree evaluation
Key strengths identified	TBA
Key areas for improvement	TBA
Follow-up actions taken	To be populated

Remuneration principles

Board remuneration is governed by prevailing legislative provisions, government circulars issued from time to time. Board members are remunerated for their services in accordance with approved rates and rules, and no Director participates in decisions concerning their own remuneration.

Remuneration for Directors and senior management is guided by a formal remuneration policy overseen by the Board’s Human Resources Committee. The policy aligns compensation with responsibilities, performance outcomes, public-sector regulatory frameworks, and, where appropriate, benchmarking against comparable roles.

The Directors’ annual fees are paid upon shareholder approval at the Annual General Meeting and after approval by the Cabinet Secretary responsible for the National Treasury.

Remuneration framework for Board members

Remuneration item	Amount/basis	Eligible Board members
Monthly taxable honorarium	Up to KES 80,000	Chairperson
Communication allowance	Up to KES 5,000	Chairperson
Sitting allowance	Up to KES 20,000 per sitting, local or international	All members
Accommodation allowance	Up to KES 10,000 per day	All members
Lunch allowance	Up to KES 2,000 per day	All members
Transport	Reimbursement of actual mileage	All members
Accident insurance cover	In place	All members

Expenditure on Directors' remuneration

	2024/25	2023/24	2025/26
	KShs	KShs	▲
Directors' fees	11,580,000	3,495,785	▲
Sitting and duty allowance	25,422,714	26,841,013	▲
Board Retreats and general expenses	2,551,879	3,720,960	▲
Travel expenses and Subsistence allowance	14,535,561	16,228,045	▲
Training expenses	931,000	2,866,996	▲
Total	55,021,154	53,172,799	▲

Process of determining Remuneration

Remuneration across all levels is governed by public sector rules, the Company's formal remuneration policy, and applicable employment contracts. The Board Human Resources Committee oversees relevant matters and makes recommendations within this framework, covering both Board and executive remuneration.

Board fees are subject to shareholder approval at the Annual General Meeting and approval by the Cabinet Secretary responsible for the National Treasury. Executive remuneration is determined through employment contracts and applicable HR policies.

Employee remuneration is shaped by four mechanisms: the HR Committee's review of terms and conditions of service; Collective Bargaining Agreement negotiations with KPOWU (2025–2029 negotiations have been initiated); the Government of Kenya performance contracting framework; and GoK circulars.

In FY 2024/2025, austerity measures resulted in the non-implementation of the annual increment, generating a 4% cost saving (Kshs 236.5 million) on employee emoluments against budget.

For enhanced transparency, the Company intends to disclose the ratio of the highest-paid individual’s total annual compensation to the median employee compensation, pending internal validation and approval for publication.

Governance assurance and continuous improvement

The Company periodically undertakes governance audits in compliance with Mwongozo and the Board Charter. A governance audit for the year was under procurement and was expected to be undertaken by an accredited governance auditor.

In parallel, KPC ensures that all Board members read, understand and sign the Code of Ethics and Conduct aligned with the Constitution of Kenya, 2010 and the Company’s core values. Wealth declarations are also completed and submitted by Directors as required.

Governance, Ethics, Integrity and Risks

Managing our impacts, commitments and compliance

As a national operator of petroleum logistics infrastructure, we recognise that our activities can create both positive and negative impacts on people, the environment and the wider economy. We therefore integrate our corporate commitments, operational safeguards, and regulatory compliance into how we run our business.



Figure G: Sustainability governance framework — ESG management structure.

Roles and responsibilities within the ESG management structure

Structure	Roles and responsibilities
KPC Board	Ultimate accountability for the sustainability of KPC PLC as a business; approves ESG strategy, policy, targets and disclosures; oversees climate-related risks and opportunities per IFRS S1 & S2.
Board Finance Committee — ESG Subcommittee	Oversight of ESG policy implementation, decarbonization roadmap, sustainability reporting and assurance readiness; reviews materiality and stakeholder outcomes.
Executive Management Committee on Sustainability	Cross-functional direction and resourcing; approves programmes and KPIs; reviews quarterly ESG performance; escalates material issues to the Board.
Safety, Health & Environment (SHE) Manager	Day-to-day coordination of ESG data, environmental compliance, OHS performance and GHG inventory management; secretariat to the Executive Committee.
Departmental ESG Champions	Embed ESG actions and controls within each function; capture activity data for the sustainability working model; drive awareness and continuous improvement.

Embedding our policy commitments in operations

Policy commitments and their implementation

We are committed to conducting our operations responsibly, ethically and in compliance with applicable legal and regulatory requirements. Our policy commitments reflect our responsibility to protect the health and safety of employees, contractors, customers and surrounding communities, safeguard the environment, uphold ethical business conduct and maintain reliable and resilient petroleum transportation and storage infrastructure.

These commitments are embedded across our operations through governance oversight, operational controls, management systems, internal procedures and accountability mechanisms that guide decision-making across the organisation. Oversight of sustainability-related matters is provided by the Board of Directors and relevant management structures, while implementation is carried out through operational departments, depots, terminals, pipeline operations and support functions across the business.

Our policy commitments are integrated into operational planning, infrastructure management, procurement activities, contractor management, workforce management and stakeholder engagement processes. Implementation is supported through operational procedures, permit-to-work systems, risk assessments, emergency preparedness arrangements, incident reporting and investigation processes, environmental monitoring activities, internal audits, corrective action mechanisms and compliance monitoring processes.

Key policies and frameworks guiding management of our most significant sustainability-related impacts and risks include:

Governance and ethics

- Code of Conduct and Ethics
- Anti-Corruption Policy
- Whistle-Blower Policy

Risk management and operational resilience

- Enterprise Risk Management (ERM) Policy
- Business Continuity Management Policy
- Crisis Management Plan
- Emergency preparedness and incident response procedures

Health, safety and environmental management

- Integrated Management System (IMS) Policy
- Occupational health and safety procedures
- Environmental management and monitoring procedures
- Incident reporting, investigation and corrective action procedures
- Waste management procedures

Operational and supply chain management

- Procurement and supplier management procedures
- Pipeline integrity, inspection and preventive maintenance procedures
- Operational risk assessment procedures
- Right-of-way management and pipeline surveillance procedures

We support implementation of these commitments through employee and contractor induction programmes, operational supervision, technical training, compliance monitoring, internal audits and continuous improvement initiatives aimed at strengthening operational reliability, environmental stewardship, workplace safety and ethical conduct across the organisation.

Where incidents, grievances, ethical concerns or non-compliance issues arise, they are addressed through established reporting, investigation and corrective action processes designed to support accountability, transparency, remediation and continual improvement.

Identifying and addressing negative impacts

Because we transport and store large volumes of petroleum products through an interconnected national pipeline system, our operations carry inherent environmental, safety and operational risks if not carefully managed. The most significant potential impacts include pipeline leaks, spills or fires; contamination of soil, drainage systems and water bodies; injury or loss of life affecting employees, contractors or nearby communities; third-party interference and encroachment along the pipeline corridor; disruption of national fuel supply; and environmental, financial or reputational consequences arising from operational failures.

These risks may increase where our pipeline infrastructure passes through densely populated areas, environmentally sensitive locations or regions experiencing rapid land-use change along the pipeline wayleave.

Identification of impacts and risk exposure: We identify potential impacts through a combination of safety risk assessments, engineering reviews, environmental monitoring, operational inspections and routine surveillance of our pipeline corridors and operational facilities. These processes help us determine where failures could occur, the nature and severity of potential consequences, the stakeholders or environments that could be affected, and the preventive controls required.

In addition, incident investigations, near-miss reporting, audit findings, stakeholder engagement processes and regulatory inspections provide further insight into operational vulnerabilities and emerging risk areas requiring corrective or preventive action.

Because our pipeline network operates as an integrated logistics system linking coastal import facilities to inland depots and customers, maintaining safety, reliability and operational continuity across the entire infrastructure network is critical.

Prevention and mitigation measures: We apply a risk-based prevention and control approach throughout the lifecycle of our infrastructure and operations. Our priority is first to prevent harm, then to reduce the likelihood and severity of incidents through effective operational controls, and finally to ensure a rapid and effective response should incidents occur.

This approach is supported by our asset integrity management programmes, inspection and maintenance regimes, environmental monitoring systems, contractor management processes, emergency preparedness arrangements and operational control procedures designed to strengthen infrastructure reliability and environmental protection.

Incident response and corrective action: Where incidents or operational concerns arise, we implement corrective and remedial measures to address both the immediate impact and the underlying cause. Depending on the nature of the incident, this may involve isolating sections of the pipeline, carrying out repairs, strengthening monitoring systems, implementing environmental clean-up measures, revising operational procedures or providing additional training for employees and contractors.

Our emergency response procedures are designed to support rapid containment of incidents and coordinated responses with relevant authorities and emergency agencies, where required.

Learning, review and continuous improvement: Following incidents or near-misses, we undertake internal reviews to identify root causes and evaluate the effectiveness of existing controls. Lessons learned from these reviews are incorporated into operational procedures, training programmes,

maintenance planning and risk management systems to support continuous improvement in safety, operational integrity and environmental performance.

Emerging and long-term risks: In addition to responding to incidents, we actively monitor and manage emerging risks that could result in future impacts if not adequately addressed. These include encroachment along pipeline corridors, unauthorised activities near infrastructure, ageing infrastructure, environmental vulnerabilities and changing land-use patterns around operational facilities.

Through a combination of technical safeguards, infrastructure maintenance, stakeholder engagement and regulatory coordination, we seek to proactively manage these risks and strengthen long-term operational resilience.

Mechanisms for raising concerns and seeking advice

We maintain mechanisms that enable employees, contractors and external stakeholders to raise concerns or seek advice regarding operational practices, ethical conduct or potential misconduct. These mechanisms include internal reporting channels, grievance procedures, customer complaint systems and confidential reporting arrangements established under our Whistle-Blower Policy and Code of Conduct and Ethics.

Our employees are encouraged to report concerns through management channels or designated reporting mechanisms. Customers and members of the public may submit enquiries, complaints or feedback through our customer service channels and formal complaint procedures.

Regulatory compliance

We operate within a comprehensive regulatory framework governing petroleum infrastructure, environmental protection and occupational health and safety. Our operations comply with legislation, including the Energy Act, the Environmental Management and Co-ordination Act, the Occupational Safety and Health Act, and other statutory instruments governing petroleum infrastructure operations.

Regulatory oversight is provided by institutions such as the Energy and Petroleum Regulatory Authority (EPRA), the National Environment Management Authority (NEMA) and the Directorate of Occupational Safety and Health Services (DOSHS). These authorities conduct inspections, audits and licensing processes to ensure compliance with statutory requirements.

To support compliance, we maintain internal registers that track regulatory obligations, licences and corrective actions arising from inspections and audits. We work closely with regulators to address identified issues and continuously strengthen our operational practices.

During the reporting period, we did not record any significant instances of non-compliance with applicable laws and regulations.

Regulatory Requirement	Status	Notes
Effluent Discharge Licenses	Compliant	Updated annually
Air Emission Licenses	Compliant	Updated annually
Environmental Impact Assessments (EIA)	Compliant	Updated for all expansion projects
Environmental Audits (NEMA)	Done annually	Last audited February 2025

Regulatory Requirement	Status	Notes
ISO 14001 Certification	Maintained	Surveillance audit February 2025
Workplace Registration (DOSHS)	Compliant	Renewed May 2026
Fire Safety Audit	Compliant	Valid
Occupational Safety & Health Audit	Compliant	Valid
Medical Examinations	Compliant	Annual
Effluent Water Analysis	Compliant	Quarterly
Emergency Response Drills	Compliant	Quarterly
Process Safety Audit	Ongoing	209 CARs raised; 50% closed
Electrical Safety Audit	Ongoing	68 CARs raised; 70% closed

Membership of industry associations

We participate in several industry and professional associations that support collaboration, policy dialogue and the development of best practices within the energy and infrastructure sectors. Through these memberships, we contribute to discussions on industry standards, governance practices and sustainable infrastructure development.

Our memberships include:

- East Africa Petroleum Transporters Association (EAPTA).
- Northern Corridor Transit Transport Coordination Authority (NCTTCA).
- Kenya National Chamber of Commerce and Industry (KNCCI).
- Consumers Federation of Kenya (COFEK).
- Institute of Certified Public Accountants of Kenya (ICPAK).
- Kenya Forest Service (KFS).
- National Environment Management Authority (NEMA).

Risk Management

Risk management is an integral component of our governance framework and decision-making processes. As the operator of critical national petroleum logistics infrastructure, we recognise that disruptions to our operations could affect national fuel supply, public safety, environmental protection and economic activity.

Our approach is guided by our Enterprise Risk Management (ERM) Framework, which provides a systematic process for identifying, assessing, monitoring and managing risks across the organisation. The framework integrates risk management into strategic planning, operational management, capital investment decisions and financial oversight, ensuring that risks are managed consistently across departments and facilities.

Oversight of enterprise risk management rests with the Board of Directors, which is responsible for ensuring that appropriate internal controls and risk management systems are in place. The Board is supported by the Board Finance Committee, which reviews the Company's principal financial, operational and strategic risks and monitors the effectiveness of mitigation measures.

Through the ERM framework, we maintain a corporate risk register that documents the principal risks facing the organisation, assesses their likelihood and potential impact, and identifies the controls and mitigation measures required.

mitigation measures and responsible management functions. Risks are reviewed periodically to reflect evolving operational conditions, regulatory developments and market dynamics.

Principal risks and mitigation measures

Operational and infrastructure risks

Our core operations depend on the safe and reliable functioning of our national pipeline network, pumping stations, storage terminals and control systems. Infrastructure failures, equipment malfunctions, operational errors, or ageing assets could lead to pipeline leaks, supply disruptions, or operational downtime.

To mitigate these risks, we maintain comprehensive asset integrity and maintenance programmes, including pipeline inspection regimes, preventive maintenance schedules, corrosion monitoring, engineering assessments and operational monitoring systems. Control room supervision and operational procedures enable early detection of anomalies and rapid response to operational challenges.

Environmental and safety risks

The transportation and storage of petroleum products involve inherent environmental and occupational safety risks. Potential impacts include fuel spills, fires, soil and water contamination and injuries to employees, contractors or nearby communities.

We manage these risks through structured health, safety and environmental management systems, which incorporate safety risk assessments, environmental monitoring, operational controls and emergency preparedness procedures. These systems are supported by staff training, regulatory compliance programmes and continuous improvement initiatives aimed at strengthening our safety culture.

Security and pipeline corridor risks

Pipeline infrastructure may be exposed to risks arising from vandalism, illegal connections, encroachment along pipeline corridors and unauthorized activities near pipeline infrastructure. These activities can compromise pipeline integrity and create safety hazards.

To mitigate these risks, we conduct surveillance and monitoring along the pipeline corridor, collaborate with national and local security agencies and engage communities located near pipeline infrastructure. Community awareness initiatives help educate stakeholders about the importance of protecting critical infrastructure and reporting suspicious activities.

Cybersecurity and information systems risks

Our operations rely on digital technologies and control systems to monitor and manage the movement of petroleum products across the pipeline network. These include operational monitoring platforms, SCADA systems, financial systems and corporate information technology infrastructure.

We are therefore exposed to cybersecurity risks, including unauthorised access to systems, cyberattacks, data breaches, and disruptions to digital platforms that support operational monitoring and business processes.

To address these risks, we implement network security controls, system access protocols, data protection measures and system monitoring mechanisms designed to protect operational and corporate systems. We also maintain business continuity and disaster recovery arrangements to support the rapid restoration of critical systems in the event of disruption.

Financial and economic risks

As a capital-intensive state corporation, we face financial risks associated with revenue performance, capital investment requirements, cost pressures and broader macroeconomic conditions. These include exposure to inflation, foreign exchange fluctuations and liquidity management risks that may influence operational costs and financial performance.

We manage these risks through prudent financial planning, internal financial controls, budgetary oversight and regular financial reporting. Oversight by the Board and its committees, supported by internal audit functions, provides additional assurance that financial risks are identified and managed effectively.

Regulatory and compliance risks

Our operations are subject to a wide range of regulatory requirements governing petroleum infrastructure, environmental protection, occupational health and safety and public sector governance. Changes in regulatory frameworks, tariff structures or compliance obligations could influence operational costs and business performance.

To manage these risks, we maintain compliance registers and monitoring systems to ensure that licences, permits and statutory obligations are met. We maintain regular engagement with regulatory institutions such as the Energy and Petroleum Regulatory Authority (EPRA), the National Environment Management Authority (NEMA) and the Directorate of Occupational Safety and Health Services (DOSHS).

Strategic and sector transition risks

The energy sector is evolving in response to climate change, technological innovation and shifting energy demand patterns. These developments may influence the long-term demand for petroleum logistics infrastructure and require adjustments in business strategy and investment priorities.

We address these risks through our corporate strategic planning processes, which seek to enhance operational efficiency, expand infrastructure capacity and support diversification initiatives that strengthen long-term sustainability and resilience.

Continuous monitoring and improvement

Risk management at Kenya Pipeline Company is a continuous process that evolves with operational, financial and regulatory developments. Risks are monitored through management reporting, internal audits, operational inspections and Board oversight. Where new risks emerge or existing risks change in severity, mitigation measures are reviewed and strengthened accordingly.

Through our enterprise risk management framework, we seek to strengthen organisational resilience, safeguard national energy infrastructure and ensure that our operations continue to support Kenya's energy security and economic development in a safe, responsible and sustainable manner.

Material Topics

Stakeholder engagement and identification of material topics

Understanding stakeholder expectations is central to how we identify and prioritise the sustainability issues most relevant to our operations, long-term performance and broader responsibilities as a national energy infrastructure company. We therefore apply a structured and impact-based approach to identifying the environmental, social and governance issues that are most significant to our business and stakeholders.

Our materiality assessment process aligns with GRI 1: Foundation 2021, GRI 3: Material Topics 2021, and GRI 11: Oil and Gas Sector 2021. In line with the GRI Standards, we identify material topics based on the significance of our impacts on the economy, environment and society, including impacts on people and human rights.

Stakeholder identification

As part of the assessment process, we identify stakeholders based on their relationship with our operations, their influence on the Company and the extent to which they may be affected by our activities. The stakeholder mapping process draws on operational experience across our pipeline network, existing engagement mechanisms and our understanding of key operational, regulatory and community interfaces.

The stakeholder groups engaged during the assessment include:

- Employees across operational and administrative functions.
- The Board, senior management and executive leadership.
- Departmental leadership and operational teams.
- Sector regulators and public authorities.
- Petroleum marketing companies and other customers.
- Suppliers, contractors and service providers.
- Communities located along pipeline corridors and around operational facilities.

- Infrastructure and logistics partners.

Stakeholder Engagement

We engage stakeholders through a combination of structured questionnaires, interviews, consultations, workshops, regulatory engagements and community meetings. These engagements help us understand stakeholder concerns, expectations and priorities relating to our environmental, social and governance impacts.

Because our operations involve strategic petroleum infrastructure, engagement approaches vary depending on the nature of stakeholder relationships, operational sensitivities and the level of potential impact or influence associated with different stakeholder groups.

Identification of impacts and sustainability issues

We identify actual and potential impacts associated with our operations across the petroleum logistics value chain, including pipeline transportation activities, storage infrastructure, contractor activities and interactions with customers, communities and the environment.

Potential impacts and sustainability issues are identified through:

- Operational risk assessments.
- Engineering and technical reviews.
- Environmental monitoring.
- Operational inspections and facility surveillance.
- Incident investigations and near-miss reporting.
- Regulatory inspections and engagements.
- Stakeholder feedback and consultations.

These processes help us identify where operational failures or adverse impacts could occur, the nature and severity of potential consequences, the stakeholders or environments that could be affected and the preventive or corrective controls required.

Assessment and prioritization of material topics

The sustainability issues identified through stakeholder engagement and operational reviews are assessed and prioritised using a structured process that considers:

- Severity and likelihood of impacts.
- Stakeholder concern and expectations.
- Operational and regulatory implications.
- Strategic relevance to the business.
- Potential impact on long-term resilience and value creation.

Stakeholder inputs from questionnaires, interviews and consultations are analysed and mapped against relevant GRI 11 topic areas. Management perspectives are also incorporated to assess the operational, regulatory and strategic significance of identified issues.

This integrated approach helps ensure that our material topics reflect both stakeholder expectations and the realities of operating critical national energy infrastructure.

Validation and refinement of material topics

Following the assessment and prioritisation process, the identified material topics are reviewed and refined through management review and validation processes. This helps confirm the relevance of identified topics, consolidate overlapping issues and strengthen alignment with GRI 11 Oil and Gas Sector guidance.

The process also supports the identification of emerging sustainability risks and evolving stakeholder concerns that may influence future reporting priorities.

Materiality matrix

The results of the assessment are presented through a materiality matrix that presents the significance of issues to stakeholders and the impact on business operations, strategy and long-term resilience. The matrix provides a visual representation of the sustainability topics considered most material to KPC and supports prioritisation of disclosures within this report.

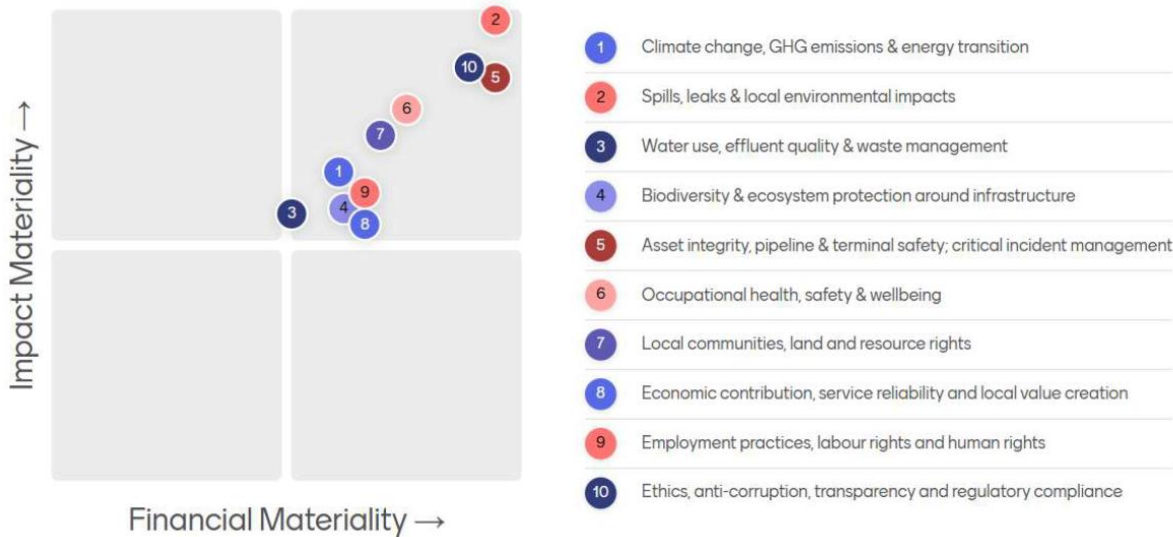


Figure 5: KPC double-materiality matrix, FY2024/25

Material topics identified

Based on the outcome of the materiality assessment and stakeholder engagement process, we identified the following sustainability topics as material to our operations and stakeholders:

- Climate change, GHG emissions and energy transition.

- Asset integrity, pipeline and terminal safety and critical incident management.
- Spills, leaks and local environmental impacts.
- Occupational health, safety and wellbeing.
- Water use, effluent quality and waste management.
- Biodiversity and ecosystem protection.
- Local communities, land and resource rights.
- Economic contribution, service reliability and local value creation.
- Employment practices, labour rights and human rights.
- Ethics, anti-corruption, transparency and regulatory compliance.

These topics form the basis for the disclosures contained in this report and guide how we manage and report on our most significant environmental, social and governance impacts.

Management of material topics

For each material topic identified in this report, we describe how the issue is managed within KPC. These disclosures include:

- The Company's approach to managing the issue and its relevance to our operations
- Policies and procedures that guide management of the topic
- Actions and initiatives implemented during the reporting period
- Performance indicators and metrics used to monitor progress.

Together, these disclosures provide transparency on how KPC manages the environmental, social and economic impacts associated with our operations and the value chain.

Contribution to the UN Sustainable Development Goals

KPC's material topics and community investment programmes contribute to nine priority UN Sustainable Development Goals. The mapping below links each priority SDG to the material topics and initiatives through which KPC contributes.

Our priority SDGs — nine goals mapped to GRI 11 material topics



Figure 6: KPC priority SDGs — nine goals mapped to GRI 11 material topics

Priority SDG	Linked material topics / initiatives
SDG 4 – Quality Education	MIOG sector training; INUKA scholarships; education & skills pillar of the KPC Foundation
SDG 6 – Clean Water and Sanitation	Water access projects; effluent management; water stewardship across facilities
SDG 7 – Affordable and Clean Energy	Energy Transition Framework; solarisation; energy-efficiency of pumping operations
SDG 8 – Decent Work and Economic Growth	Employment practices; labour rights; local value creation; AGPO supplier development
SDG 9 – Industry, Innovation and Infrastructure	Pipeline modernisation; asset integrity; SCADA and digital monitoring
SDG 12 – Responsible Consumption and Production	Waste management; responsible supply chain; spill prevention
SDG 13 – Climate Action	GHG baseline; decarbonisation roadmap; climate risk management (IFRS S2)
SDG 15 – Life on Land	Mangrove and tree-growing programmes; biodiversity protection; ecosystem restoration
SDG 16 – Peace, Justice and Strong Institutions	Ethics and anti-corruption; transparency; Mwongozo governance compliance

Economic Impacts

Economic Contribution and Local Value Creation

Topic context and where the impact occurs

We play a strategic role in Kenya's economy as the national transporter and storage provider of petroleum products. Through our pipeline network, storage depots and fuel handling infrastructure, we support national energy security, facilitate regional petroleum trade and contribute to economic development across Kenya and the wider East African region.

The impacts associated with this material topic occur across our operational footprint and value chain, including pipeline operations, storage terminals, procurement activities, supplier engagement and regional fuel distribution networks. Our economic contributions extend to government revenue generation, employment creation, local supplier participation, infrastructure investment and support for industries that depend on a reliable fuel supply.

Our approach to managing the topic

We manage economic contribution and local value creation through governance, financial oversight and strategic planning processes designed to support long-term operational sustainability and responsible value creation. Oversight of economic performance is exercised by the Board of Directors, supported by executive management, internal audit, enterprise risk management and compliance functions.

We recognise that long-term economic performance depends on operational reliability, infrastructure integrity, sound governance, responsible business practices and continued investment in systems that support efficient petroleum transportation and storage.

Policies and procedures that guide the management of the topic

Our management of this topic is guided by the KPC Vision 2025 Corporate Strategic Plan, enterprise risk management processes, internal control systems, procurement procedures, financial management controls and applicable public finance, procurement and corporate governance requirements.

These frameworks support prudent financial management, accountability, transparent procurement, risk-based decision-making, compliance with statutory obligations and responsible stewardship of critical national energy infrastructure.

Actions and initiatives implemented during the reporting period

During the reporting period, we continued to invest in pipeline integrity, storage infrastructure and operational systems to support efficient petroleum transportation and storage services. We also advanced operational modernisation initiatives and strengthened stakeholder engagement with regulators, customers, suppliers and infrastructure partners to improve supply chain coordination and service reliability.

Direct economic value generated and distributed

During the year, we generated KShs 38,593,631,086 in revenue for the financial year 2024/2025 and KShs 35,369,329,508 for the financial year 2023/2024, reflecting continued demand for pipeline transportation and storage services and the strategic importance of our infrastructure to the regional petroleum supply chain.

The economic value generated from our operations is distributed across stakeholders through operating expenditure, employee remuneration, payments to providers of capital and taxation. The remaining value is retained within the business to support operational resilience, infrastructure development and future strategic investments.

Employee remuneration totalled KShs 7,911,806,902 for the 2024/2025 financial year, compared with KShs 8,180,514,143 in the previous financial year. Our operations also contributed significantly to national revenue through taxation, totalling KShs 5,807,616,168 in 2024/2025, compared with KShs 3,125,584,970 in 2023/2024.

Direct economic value generated and distributed

	2024/25	2023/24	2025/26
	Kshs	Kshs	▲
Economic value generated			▲
Revenue from contracts with customers	38,593,631,086	35,369,329,508	▲
Finance and other income (loss)	1,401,196,457	1,805,237,548	▲
Other comprehensive income	(92,406,179)	(1,967,874,969)	▲
Total economic value generated	39,902,421,364	35,206,692,087	▲
Economic value distributed			▲
Operating Costs	15,877,215,817	17,038,729,934	▲
Employees wages and benefits	7,911,806,902	8,180,514,143	▲
Payments to providers of capital	5,900,000,000	7,000,000,000	▲
Payments to the government (taxation)	5,807,616,168	3,125,584,970	▲
Community investments	137,644,371	85,736,968	▲
Total economic value distributed	35,771,927,629	35,430,566,015	▲
Economic value retained*	4,130,493,735	(223,873,928)	▲

Direct economic value generated and distributed is calculated on an accrual basis using figures derived from our audited financial statements.

Defined benefit plan obligations and other retirement plans

We provide retirement and post-employment benefits to employees through pension arrangements, statutory social security contributions and gratuity provisions. These benefits form part of our broader approach to employee welfare, long-term financial security and responsible employment practices.

The table below summarises the Company's employee retirement benefit contributions, gratuity provisions and employee benefit obligations for the reporting period.

Retirement benefit contributions

Indicator	2024/25	2023/24	2025/26
	Kshs	Kshs	▲
Pension – employer contribution	378,724,976	536,757,853	▲
NSSF – employer contribution	57,041,100	27,961,319	▲
Gratuity provision	49,062,048	55,360,096	▲

We continue to monitor the sustainability of our retirement benefit schemes and ensure that employee benefit obligations are appropriately provided for in accordance with applicable accounting standards.

Financial assistance received from the government

KPC is a state corporation wholly owned by the Government of Kenya, with shareholding held by the National Treasury and the Ministry responsible for petroleum.

During the reporting period, we did not receive grants, development partner funding, or donor financing. Our operations are funded primarily through revenue generated from pipeline transportation and storage services.

Indirect economic impacts

Infrastructure development and energy logistics

Our pipeline network and petroleum storage facilities form part of Kenya's strategic energy infrastructure and support the transportation, storage and distribution of refined petroleum products across Kenya and the wider East African region. Through these services, we contribute to the stability and efficiency of fuel supply chains, helping ensure reliable access to petroleum products across sectors that are critical to economic activity, including transport, manufacturing, agriculture, construction and power generation.

Reliable fuel supply and infrastructure performance remain important priorities for our customers, regulators, government institutions and regional market participants. Maintaining operational reliability and continuity across the petroleum supply chain supports economic productivity, business continuity and national energy security.

Our infrastructure generates indirect economic value in several ways. Efficient pipeline transportation reduces reliance on road transport for bulk fuel movement, contributing to lower transportation costs, reduced traffic congestion, improved road safety and lower pressure on public road infrastructure.

In addition to supporting domestic energy supply, our infrastructure facilitates regional petroleum trade through the transportation and storage of products destined for neighbouring countries. This strengthens Kenya's role as a regional energy logistics hub and supports regional market integration within East Africa.

We continue to invest in infrastructure maintenance, operational reliability and system improvements to support long-term service delivery and evolving national and regional energy needs. These investments contribute not only to operational resilience, but also to the broader functioning and stability of the economy by supporting reliable access to petroleum products across multiple sectors and markets.

The table below summarises key infrastructure and service delivery indicators supporting our contribution to national and regional energy logistics.

Indicator	Unit	2023/24	2024/25	2025/26
Total length of pipeline network	km	1,342	1,342	▲
Number of pipeline systems/lines in operation	Number	7	8	▲
Total petroleum storage capacity	m ³	1,138,000	1,138,000	▲
Annual pipeline throughput capacity	m ³	14,000,000	14,000,000	▲

Indicator	Unit	2023/24	2024/25	2025/26
Number of petroleum storage depots	Number	7	7	▲
Annual petroleum throughput transported through pipelines	m ³ tonnes	9,115,130	9,884,950	▲
Volume of petroleum products handled for regional export markets	m ³ tonnes	4,457,019	4,825,164	▲
Average pipeline utilisation rate	%	65.1%	70.6%	▲
Number of major infrastructure projects completed during the year	Number	-	8	▲
Capital expenditure on infrastructure development and upgrades	KShs	-	320,093,248	▲
Number of days of strategic fuel storage capacity supported by infrastructure	Days	43 days	43 days	▲

These indicators reflect the scale of our operations and the important role our infrastructure continues to play in supporting fuel distribution, regional trade, operational reliability and continuity of energy supply across multiple sectors of the economy.

Local value creation

Beyond the indirect economic benefits generated through our infrastructure, we contribute to local economic development through procurement activities, employment opportunities and engagement with suppliers, contractors and service providers across the country.

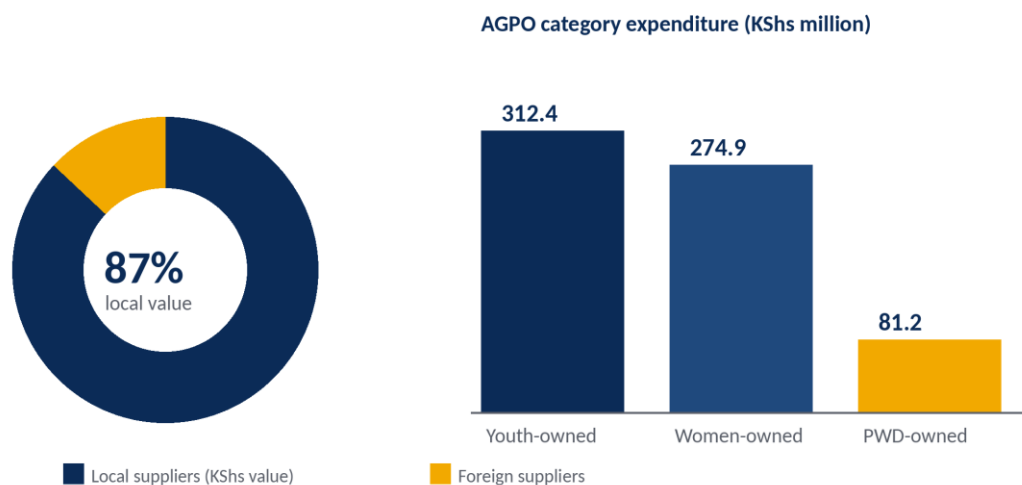
Our operations create economic linkages with businesses involved in engineering, logistics, construction, maintenance and other services supporting the petroleum supply chain. By sourcing goods and services locally where feasible and employing Kenyan professionals and technical personnel, we support domestic supply chains and contribute to economic activity in the regions where our infrastructure and facilities are located.

The following sections highlight selected areas through which we contribute to local economic participation, including procurement, supplier engagement and employment-related impacts.

Local procurement

Inclusive procurement — supporting local enterprise (FY2024/25)

AGPO expenditure KShs 668,536,925 across youth-, women- and PWD-owned enterprises



Category split provisional — Supply Chain to confirm final AGPO ledger allocations for FY2025/26 comparative.

Figure H: Inclusive procurement — AGPO and local-enterprise expenditure, FY2024/25

Procurement is one of the primary ways through which we contribute to local value creation. Our operations require a range of goods and services, including engineering services, equipment supply, logistics support, maintenance services and professional expertise.

Through our procurement processes, we engage suppliers that support pipeline operations, infrastructure maintenance and operational services. By sourcing goods and services from local suppliers where feasible, we contribute to the growth of local enterprises and strengthen domestic supply chains linked to the petroleum logistics sector.

Procurement from local suppliers

Indicator	Unit	2024/25	2023/24	2025/26
Total procurement spend	KShs	3,985,801,908	5,765,191,379	▲
Procurement spend with Kenyan suppliers	KShs	3,338,097,809	3,592,562,284	▲
Percentage of procurement spend with Kenyan suppliers	%	90%	71%	▲
Number of active local suppliers engaged during the year	Number	283	602	▲
Procurement spend with AGPO	KShs	242,104,778	483,556,279	▲
Number of AGPO suppliers	Number	124	552	▲

Local suppliers are defined as suppliers registered and operating within Kenya.

Local employment and hiring practices

Employment generated through our operations contributes to local economic participation and skills development. Our workforce includes professionals, technicians and operational personnel responsible for pipeline operations, infrastructure maintenance and support services.

Where appropriate, we prioritise recruiting qualified Kenyan professionals and technical personnel to support our operations. By employing local talent and investing in workforce development, we contribute to skills development and sustainable employment within the country.

Local hiring in management positions

Indicator	Unit	2024/25	2023/24	2025/26
Total number of employees	Number	1,549	1,576	▲
Total number of management positions	Number	26	26	▲
Number of management positions held by Kenyan nationals	Number	26	26	▲
Percentage of management positions held by Kenyan nationals	%	100%	100%	▲

Environmental Impacts

Climate change, GHG emissions and energy transition

Topic context and where the impact occurs

Climate change, greenhouse gas (GHG) emissions and energy transition considerations are increasingly shaping the operating environment for energy infrastructure companies. As the operator of Kenya’s primary petroleum products pipeline network, we rely on extensive pipeline infrastructure, pumping stations, terminals, depots and support facilities that require significant energy inputs to maintain reliable transportation and storage services across Kenya and the wider region.

Our operations generate both direct and indirect GHG emissions, primarily associated with electricity consumption for pumping operations, fuel use in operational equipment and vehicles, backup power systems, refrigerants and activities across the broader value chain. Climate-related developments may also affect infrastructure reliability, operational continuity, energy costs, environmental compliance obligations and long-term infrastructure planning.

The impacts associated with this topic occur across our operational footprint, including pumping stations, depots, terminals, offices, contractor activities and supply chain operations. Stakeholder engagement during the reporting period highlighted increasing interest from regulators, customers, financial institutions and surrounding communities regarding emissions management, infrastructure resilience, environmental transparency and preparedness for evolving climate-related requirements.

Our approach to managing the topic

We manage climate-related impacts through operational efficiency initiatives, infrastructure management, environmental monitoring and enterprise risk management processes integrated into operational and strategic decision-making. Oversight is provided through governance and operational

management structures responsible for environmental management, infrastructure reliability and sustainability performance.

We recognise that strengthening climate resilience and improving emissions management are important to maintaining operational reliability, supporting long-term business sustainability and responding to evolving stakeholder expectations within the energy sector.

Policies and procedures that guide the management of the topic

Management of this topic is guided by:

- Enterprise Risk Management Framework
- Environmental and Social Impact Assessment (ESIA) processes
- Environmental monitoring and compliance procedures
- GHG inventory and emissions reporting processes
- Energy management and operational efficiency procedures
- Applicable environmental and climate-related regulatory requirements

Actions and initiatives implemented during the reporting period

During the reporting period, we completed a GHG emissions baseline assessment covering Scope 1, Scope 2 and Scope 3 emissions to strengthen climate-related reporting, emissions management and future decarbonization planning.

We also continued implementing operational efficiency initiatives, infrastructure maintenance programmes and monitoring systems to improve operational reliability, support energy efficiency and strengthen climate-related risk management across our operations.

Climate-related financial implications, risks and opportunities

Climate change, energy transition developments and evolving environmental expectations may influence the long-term resilience, operational costs and infrastructure planning requirements associated with our operations. As a strategic national energy infrastructure provider, our pipeline transportation system depends on reliable energy supply, operational efficiency and the integrity of our infrastructure assets.

Both physical climate risks and transition-related developments may affect our operations, infrastructure reliability and future operational planning. Physical risks such as flooding, extreme rainfall events and land instability may affect pipeline corridors, pumping stations and depots, while transition-related developments, including evolving climate regulations, emissions reporting requirements and

changing stakeholder expectations, may introduce additional operational and compliance considerations over time.

We also recognise increasing expectations regarding environmental transparency, climate-related reporting and emissions management. Strengthening our emissions monitoring systems and climate-related reporting processes supports improved operational visibility and preparedness for evolving regulatory and stakeholder requirements.

At the same time, climate-related initiatives may create opportunities to improve operational efficiency, strengthen infrastructure resilience and enhance environmental performance across our operations. Improving energy efficiency, strengthening infrastructure reliability and enhancing operational monitoring systems may contribute to both operational and environmental benefits over time.

While climate-related risks are not currently quantified in financial terms, we continue to integrate climate-related considerations into enterprise risk management, operational planning and infrastructure management processes.

The table below summarises selected climate-related risks and opportunities relevant to our operations and the measures being implemented to strengthen operational resilience and preparedness.

Risks	Potential impact	Our response
Physical risks - flooding, extreme rainfall and land instability	Damage to pipeline corridors, pumping stations and depots; operational disruptions and increased maintenance requirements.	Routine infrastructure inspections, integrity assessments, maintenance programmes and integration of climate considerations into operational planning and emergency preparedness processes.
Transition risk - arising from climate policy and regulatory developments	Potential future compliance obligations, operational adjustments and additional reporting requirements.	Integration of climate-related considerations into enterprise risk management and strategic planning processes.
Climate-related reporting and stakeholder expectations	Increased expectations regarding environmental transparency, emissions reporting and sustainability disclosures.	Development of greenhouse gas emissions baseline, strengthening emissions monitoring systems and enhancing sustainability reporting processes.
Operational resilience and business continuity	Potential disruptions affecting fuel transportation, storage operations and continuity of supply.	Strengthening infrastructure reliability, emergency preparedness and business continuity planning.
Opportunity	Potential impact	Our response
Energy efficiency and operational optimisation opportunities	Improved operational efficiency, cost management and reduced emissions intensity.	Implementation of operational optimisation initiatives, equipment efficiency improvements and enhanced energy monitoring systems.

Energy use and operational efficiency

Energy consumption is a key operational input across our pipeline transportation network. Transporting petroleum products requires continuous pumping operations supported by electrical and mechanical systems across multiple pumping stations, depots and terminals.

Electricity consumption associated with pumping operations represents one of the most significant components of our operational energy use and emissions profile. Additional energy consumption occurs through operational support infrastructure, maintenance activities, control systems and administrative facilities.

Our approach to energy management focuses on:

- Monitoring electricity consumption across operational facilities.
- Maintaining pumping equipment and mechanical systems to support efficient operations.
- Optimising operational processes to minimise energy losses.
- Strengthening internal systems for energy and emissions monitoring and reporting.

Improving operational efficiency supports both cost management and environmental performance while strengthening the reliability of our infrastructure network.

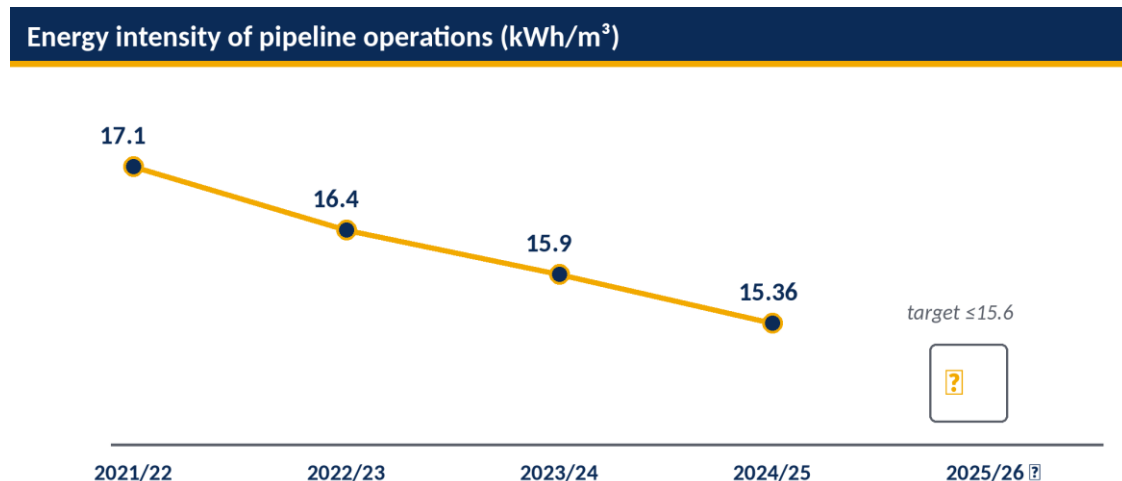


Figure 7: Energy intensity of pipeline operations (kWh/m³)

Energy Source	Unit	2024/25	2023/24	2025/26
Diesel consumption	Litres	49,715.35	514,692.58	▲
Petrol consumption	Litres	421,515.21	287,094.95	▲
Electricity consumption	MWh	145,525.43	136,000	▲
Total energy consumption	MWh	139.155	141.543	▲

Energy Source	Unit	2024/25	2023/24	2025/26
Energy intensity (per operational throughput)	MWh/M3	15.36	15.6	▲

Greenhouse gas emissions

During the reporting period, we completed a baseline assessment of greenhouse gas (GHG) emissions associated with our operations and selected value-chain activities. Following an independent IPCC/GHG Protocol methodology review (June 2026), the baseline has been restated as summarised below; the restatement is provisional pending confirmation of the Company fleet register.

The assessment applied the GHG Protocol Corporate Accounting and Reporting Standard, the IPCC 2006 Guidelines for National GHG Inventories (Vol. 2 — Energy: Chs. 2, 3 and 7), the API GHG Compendium 2021, IPIECA GHG Reporting Guidelines and GRI 11: Oil and Gas Sector 2021, on an operational-control boundary. Global Warming Potentials follow IPCC AR5 GWP100 (CO₂ = 1; CH₄ fossil = 28; N₂O = 265; R-410A = 2,088), as mandated by the GHG Protocol.

Scope 1 emissions (direct)

Scope 1 sources comprise diesel generators, the company vehicle fleet and air-conditioning refrigerants. Following the methodology review:

- **Stationary combustion (generators):** the emission factor was revised to include CH₄ and N₂O per IPCC 2006 Vol. 2 Table 2.4, giving 2.549 kgCO₂e/L and restated emissions of **145.33 tCO₂e** (+2.08 tCO₂e, within instrument uncertainty).
- **Mobile combustion:** the fleet has been re-classified between passenger and heavy-duty vehicles (IPCC 2006 Vol. 2 Table 3.2.2). On a provisional 70/30 split, diesel fleet emissions are restated at **~1,270 tCO₂e** (+~148 tCO₂e). ▲ *Final figures await the fleet register (vehicle category, engine type and fuel consumption per vehicle).*
- **Fugitive emissions — refrigerants:** the Tier 1 screening estimate of **125.29 tCO₂e** is retained; migration to the IPCC Tier 2 refrigerant-purchase method is planned for the next inventory cycle.
- **Pipeline fugitive emissions:** assessed as **below the materiality threshold** for refined-product liquid pipelines per API 4588 (2016) — closed systems under positive pressure with no venting or flaring at pumping stations. A pump-seal and vent-valve survey will be added to the next asset-integrity inspection.

Scope 2 emissions (purchased electricity) — dual reporting

Location-based emissions are **8,003.90 tCO₂e**, applying the EPRA grid factor of 0.055 tCO₂e/MWh to electricity consumed across the 26 pumping stations, depots, terminals and offices. A market-based figure is **not currently available**, as KPC holds no renewable energy certificates or renewable PPAs for FY2024/25; market-based disclosure will follow establishment of such instruments under Phase 2 of the decarbonisation roadmap.

Scope 3 emissions (value chain)

Six categories were assessed on the basis of comprehensive available data — purchased goods and services (Cat 1), capital goods (Cat 2), water and waste (Cat 5), business travel (Cat 6), employee commuting (Cat 7) and investments (Cat 15) — totalling **16,611.57 tCO₂e**. Categories 1 and 2 dominate (85.4% of Scope 3), reflecting the carbon intensity of pipeline infrastructure materials and equipment. Spend-based categories carry ±50% uncertainty per the GHG Protocol Scope 3 Technical Guidance.

Category 4 (upstream transport and distribution) is excluded: transport of petroleum products to the Mombasa import terminal is undertaken and paid for by oil-marketing and shipping companies; per GHG Protocol Scope 3 Standard §5.2 and IPIECA guidance for midstream pipelines, these emissions fall outside KPC's boundary.

Employee commuting covers headquarters only: 192 of ~290 HQ staff responded (66.2% response rate; the previously cited 13.4% reflected the full-company denominator). Field-staff commuting at the 26 pumping stations is a disclosed data gap; a company-wide survey is planned for FY2026/27. ▲

Restated GHG statement and intensity metrics

Emissions category	Unit	FY2024/25 (original)	FY2024/25 (restated)	FY2025/26
Scope 1 emissions	tCO ₂ e	1,508.25	~1,658 ▲	▲
Scope 2 — location-based	tCO ₂ e	8,003.90	8,003.90	▲
Scope 2 — market-based	tCO ₂ e	—	Data unavailable (no RECs/PPAs)	▲
Scope 3 (six categories)	tCO ₂ e	16,611.57	16,611.57	▲
Total GHG emissions	tCO₂e	26,123.72	~26,273 ▲	▲

Intensity metric (GRI 305-4 / SASB EM-MD-110a.2)	FY2024/25	FY2025/26
Scope 1 intensity per throughput	0.152 kgCO ₂ e/m ³	▲
Scope 1+2 intensity per throughput	0.961 kgCO ₂ e/m ³ ▲	▲
Total GHG per throughput	2.64 kgCO ₂ e/m ³ ▲	▲
Network-normalised (Scope 1+2)	7.09 tCO ₂ e/km (1,342 km)	▲
Revenue intensity (total GHG)	6.8×10 ⁻⁷ tCO ₂ e/KES	▲

Denominator: m³ of petroleum product transported and delivered. ▲ Intensity metrics to be restated on the confirmed fleet register and reconciled delivered-volume basis in FY2025/26. The previous cross-commodity benchmark against a natural-gas pipeline operator has been withdrawn as not like-for-like.

The 2024/25 baseline provides the starting point for tracking emissions performance and strengthening our climate disclosures in future reporting periods.

FY2024/25 GHG emissions baseline by scope — restated

Total ~26,273 tCO₂e (provisional, post IPCC/GHG Protocol methodology review)

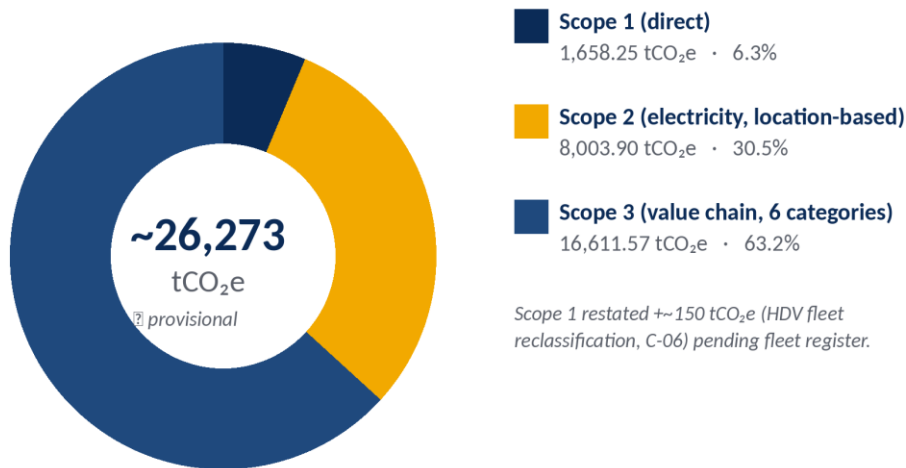
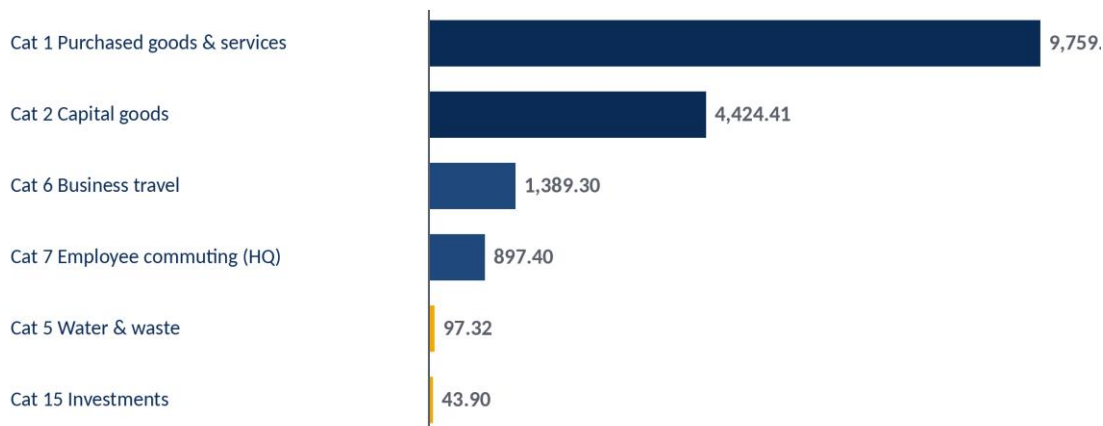


Figure 8: FY2024/25 GHG emissions baseline by scope (restated)

Scope 3 emissions by category (tCO₂e)

Six categories assessed on comprehensive available data; Cat 4 excluded (upstream transport outside operational boundary)



Spend-based categories (1 & 2) carry ±50% uncertainty per GHG Protocol Scope 3 Technical Guidance (C-13).

Figure 9: Scope 3 emissions by category (tCO₂e)

Emissions reduction opportunities

The GHG baseline assessment identified several opportunities to improve operational efficiency and reduce emissions across our infrastructure and activities. These opportunities are primarily associated with energy consumption within pumping operations, operational equipment and supporting infrastructure.

Key emissions reduction opportunities identified during the assessment include:

- Improving the energy efficiency of pumping operations across the pipeline network.
- Upgrading ageing pumps, motors and mechanical systems to more energy-efficient technologies.
- Optimising pumping schedules and operational controls to reduce unnecessary energy consumption.
- Strengthening monitoring, automation and control systems to improve operational efficiency and minimise energy losses.
- Reducing fuel consumption associated with generators, operational vehicles and maintenance activities.
- Enhancing preventive maintenance programmes to improve equipment performance and reduce operational inefficiencies.
- Strengthening emissions data collection and monitoring systems to support improved emissions management and operational decision-making.
- Implementing a Leak Detection and Repair (LDAR) programme at all 26 pumping stations and terminals (EPA Method 21 / optical gas imaging), with a baseline survey in FY2026/27 under the pipeline-integrity programme — estimated potential reduction of 50–150 tCO₂e/yr once fugitive sources are measured.

The baseline assessment also highlighted the importance of improving emissions visibility across the Scope 1, Scope 2 and Scope 3 categories to support the identification of future emissions-reduction initiatives and to strengthen climate-related reporting processes over time.

Our decarbonisation roadmap: aligning with Kenya’s NDC and the Corporate Strategy 2025–2030

Kenya’s third Nationally Determined Contribution (NDC 3.0, 2024) raises national ambition to a **35% reduction in greenhouse gas emissions by 2030** relative to a business-as-usual scenario of 143 MtCO₂e (enhanced from 32% under the updated NDC), with the implementation cycle extending through the **2032 interim milestone**. As a state-owned operator of critical energy infrastructure, KPC aligns its emissions-reduction pathway with NDC 3.0, Kenya’s Long-Term Low Emission Development Strategy (LT-LEDS) 2050 and the Paris Agreement.

Anchored on the FY2024/25 GHG baseline and guided by the Science Based Targets initiative (SBTi) Well-Below-2°C pathway, KPC’s decarbonisation roadmap sets the following directional ambitions:

Horizon	Ambition	Alignment
Near term (by 2030)	Reduce operational emissions (Scope 1 + 2) by 29% from the FY2024/25 base year	SBTi Well-Below-2°C; Kenya NDC 3.0 (–35% vs BAU by 2030); CSP 2025–2030 ESG pillar

Horizon	Ambition	Alignment
Near term (by 2030)	Reduce material supply-chain emissions (Scope 3, Categories 1 & 2) by 17.5% in absolute terms	SBTi Scope 3 criteria
Medium term (2031–2035)	Consolidate reductions and expand Scope 3 coverage in line with Kenya’s NDC 3.0 implementation cycle to the 2032 interim milestone and beyond	NDC 3.0 (2032); IFRS S2 medium-term target requirement
Long term (by 2050)	Achieve at least a 90% absolute reduction in operational emissions, using high-integrity carbon offsets only for residual emissions to reach net zero in own operations	LT-LEDS 2050; Paris Agreement

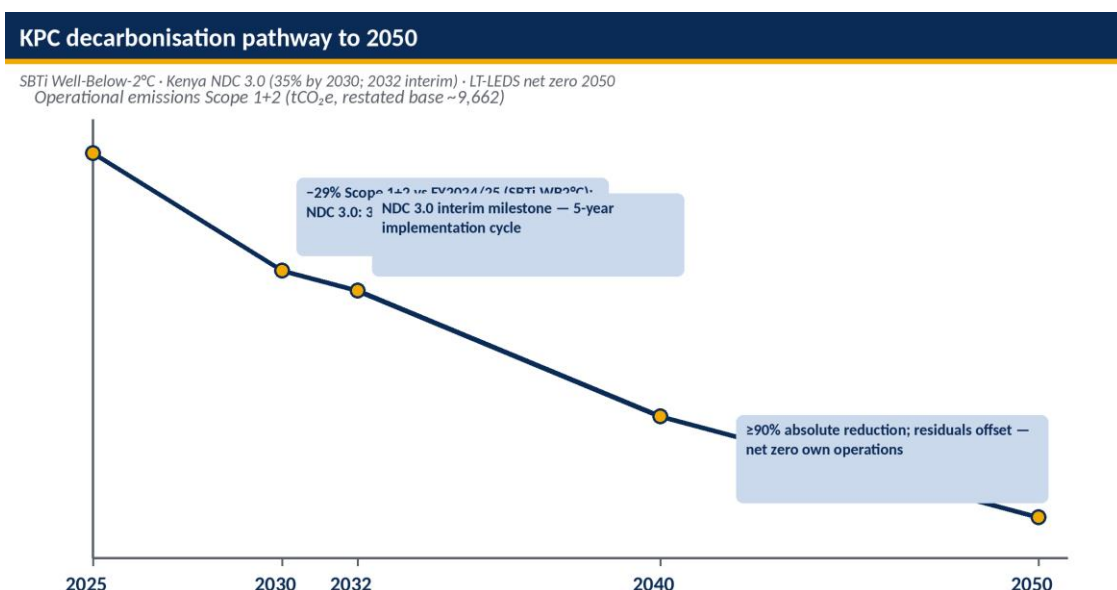


Figure 10: KPC decarbonisation pathway to 2050 — SBTi WB2°C · NDC 3.0 (2032) · LT-LEDS 2050

Championing climate leadership — KPC at the Africa Climate Summit

KPC showcased its sustainability agenda at the Africa Climate Summit, presenting the Company’s climate commitments, green-energy ambitions and community restoration programmes to regional policymakers, investors and the public.

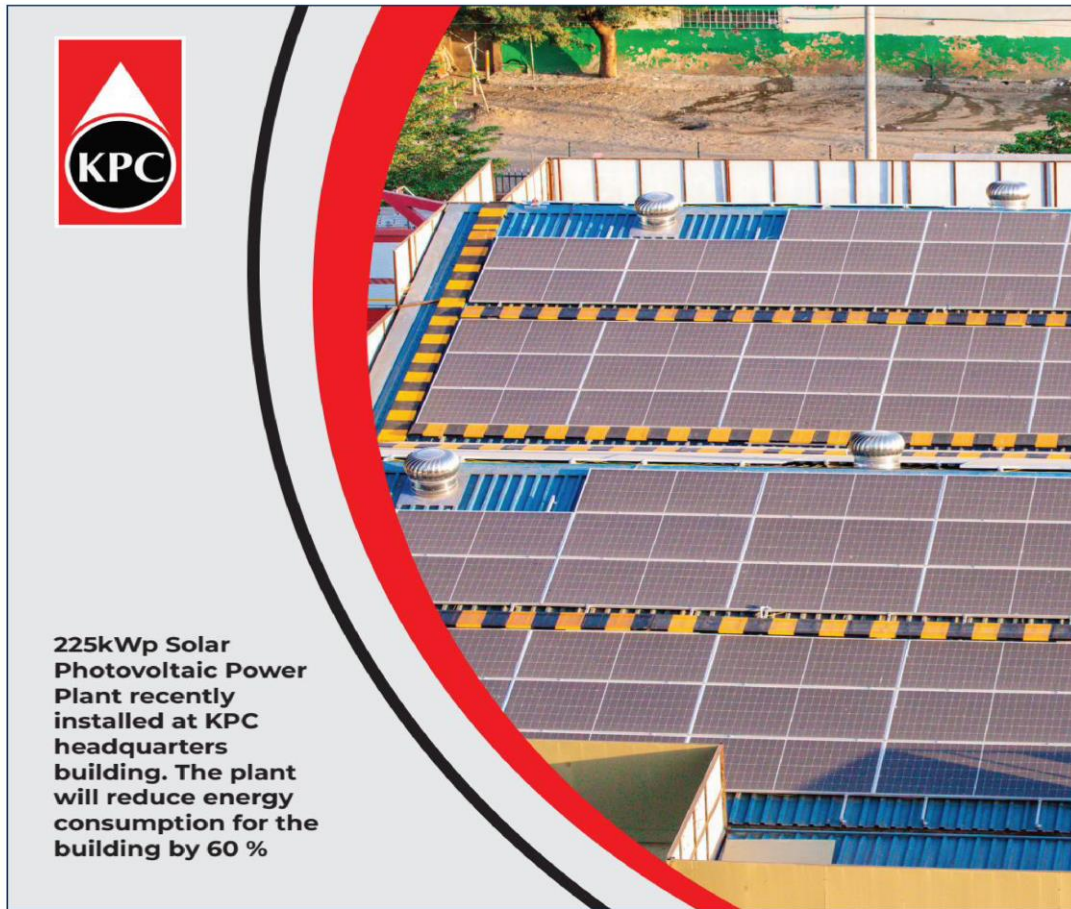


Figure 11: Solar Plant at KPC HQ/MIOG buildings

Environmental restoration and clean energy in action

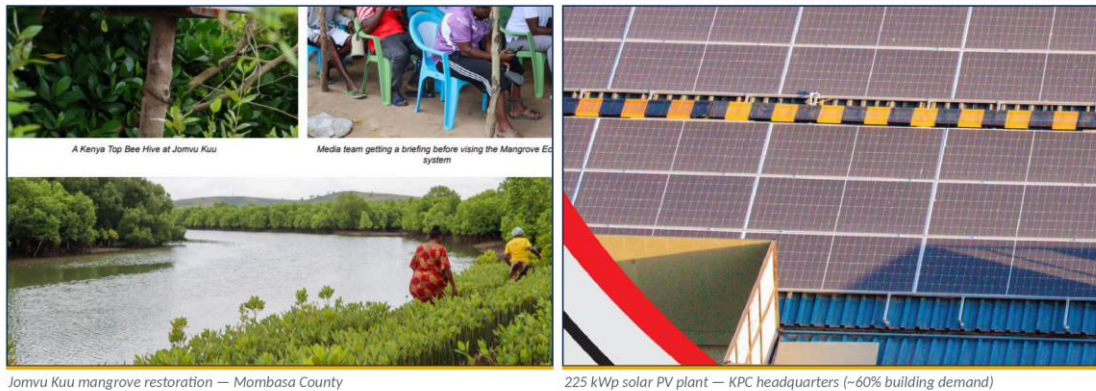


Figure 12: Environmental restoration through mangroves and Head Office solarisation

The roadmap will be delivered in three phases:

- **Phase 1 – Foundation (FY2025/26–FY2026/27):** strengthen GHG data systems and measurement, reporting and verification (MRV) procedures; disaggregate Scope 1 fuel data by site; shift Scope 3 Categories 1 & 2 from spend-based to supplier activity-based data; formalise Board oversight of climate-related risks and opportunities; validate targets against SBTi criteria.
- **Phase 2 – Acceleration (FY2027–FY2030):** solarisation of KPC Headquarters and pumping stations; upgrade of pumps, motors and mechanical systems to high-efficiency technologies; optimisation of pumping schedules; fleet efficiency and fuel-transition measures; supplier engagement and integration of GHG performance into procurement.
- **Phase 3 – Transformation (2030–2050):** deep decarbonisation of operations, renewable-energy expansion, participation in SAF, ethanol-blending, hydrogen and ammonia value chains, and deployment of high-integrity offsets for residual emissions only.

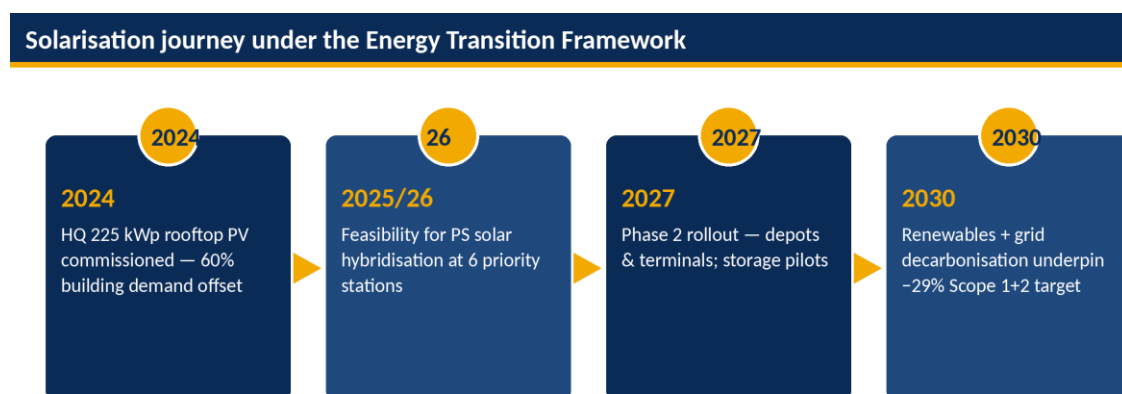


Figure 13: Solarisation journey under the Energy Transition Framework

Alignment with IFRS S1 and IFRS S2

The table below summarises how KPC's climate-related management approach maps to the four content pillars of IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures). A full index is provided in Appendix B.

IFRS S1/S2 pillar	KPC's current position (FY2024/25)	Planned enhancement	2025/26
Governance	Board oversight of sustainability through the Board Audit Committee and management ESG structures; ESG embedded as a CSP 2025–2030 pillar	Formalise climate-related responsibilities in Board and committee terms of reference	▲
Strategy	Climate-related risks and opportunities identified qualitatively;	Undertake climate scenario analysis and quantify financial	▲

IFRS S1/S2 pillar	KPC's current position (FY2024/25)	Planned enhancement	2025/26
	decarbonisation roadmap adopted; energy transition initiatives in CSP	effects over short, medium and long-term horizons	
Risk management	Climate risks integrated into the Enterprise Risk Management framework	Conduct asset-level physical and transition climate risk and vulnerability assessments, including stress testing	▲
Metrics & targets	Scope 1, 2 and 3 GHG baseline established (26,123.72 tCO ₂ e); energy intensity tracked; SBTi-aligned directional targets adopted	Annual GHG assessments; expansion of Scope 3 coverage; disclosure of progress against targets each reporting cycle	▲

Spills, leaks and local environmental impacts

Topic context and where impact occurs

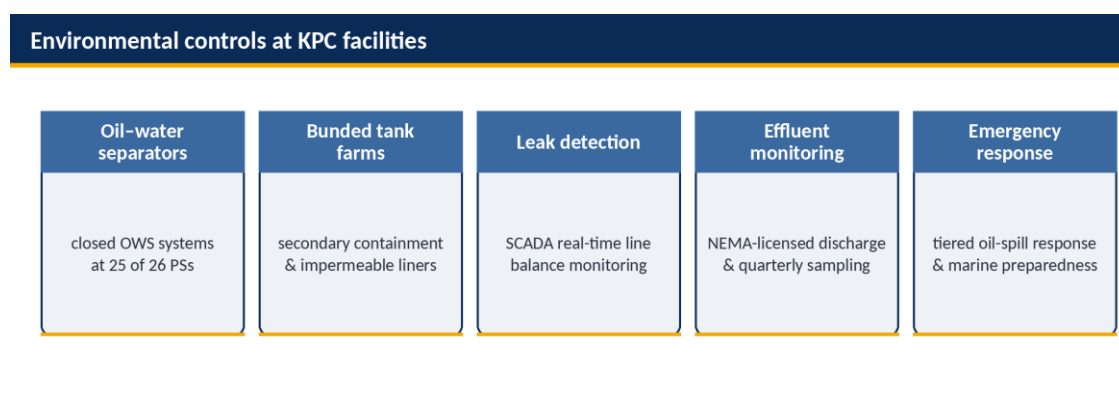


Figure 14: Environmental controls at KPC facilities

Our operations involve the transportation, storage and handling of refined petroleum products through pipelines, depots, pumping stations and associated infrastructure across Kenya and the wider East African region. Due to the nature of petroleum products and the scale of our infrastructure, operational failures such as spills, leaks or uncontrolled discharges may result in contamination of soil, groundwater, surface water and surrounding ecosystems, as well as impacts on neighbouring communities and livelihoods.

Potential environmental impacts associated with our operations include soil and groundwater contamination, surface water pollution, localised air emissions, hazardous and non-hazardous waste generation and environmental impacts arising from petroleum handling, storage and transfer activities. These risks are particularly significant in operational areas located near communities, water resources, transport corridors and environmentally sensitive ecosystems.

Stakeholder engagement undertaken during the reporting period highlighted continued stakeholder interest in spill prevention, environmental protection, infrastructure reliability, emergency preparedness and environmental accountability across operational areas and pipeline corridors.

Some operational areas associated with petroleum import, storage and transfer activities may also present potential risks of coastal or marine pollution if incidents are not effectively prevented and managed. We therefore maintain operational controls and coordinated response arrangements to support preparedness for both land-based and marine-related spill incidents.

Management approach to spills and environmental impacts

Preventing spills and protecting surrounding ecosystems and communities are critical priorities across our operations. We apply a prevention-focused approach to environmental management that emphasises prevention of loss of primary containment, early detection of leaks and abnormal operating conditions, rapid containment and spill response, environmental remediation and recovery, and continuous monitoring of potential impacts on soil, water and air quality.

These measures are integrated into our broader health, safety and environmental management systems and implemented across depots, pumping stations, storage facilities and pipeline infrastructure. We also investigate operational incidents and implement corrective actions to strengthen operational controls and reduce recurrence risks.

Because effective spill management requires coordinated action across multiple stakeholders, we work closely with regulatory agencies, emergency response authorities and industry partners involved in petroleum handling and environmental protection. This includes collaboration with the Kenya Ports Authority (KPA), Kenya Petroleum Refineries Limited (KPRL), the Kenya Maritime Authority (KMA), the Oil Spill Mutual Aid Group (OSMAG), the National Environment Management Authority (NEMA) and other relevant agencies involved in spill preparedness, emergency response and environmental protection.

Policies and procedures that guide the management of the topic

Management of spills, leaks and local environmental impacts is guided by our integrated Safety, Health and Environment (HSE) management system, which supports environmental protection, statutory compliance and continual improvement across operations. The HSE management system provides the framework for implementing safety, health and environmental programmes aimed at protecting employees, contractors, customers, communities and the environment.

The topic is also supported by our Enterprise Risk Management (ERM) Framework, which guides risk identification, evaluation, monitoring and reporting across operational and environmental risk areas and is aligned with ISO 31000:2018 principles.

Specific policies, procedures and controls guiding management of this topic include:

- Integrated Management System (IMS) Policy and Health, Safety and Environment (HSE) management system requirements.
- ERM Policy and risk assessment procedures.
- Crisis Management Plan and emergency response procedures.
- Fire Prevention Policy and fire safety procedures.
- Pipeline inspection, surveillance and preventive maintenance procedures.
- Right-of-way management and emergency response procedures.

- Incident reporting, investigation and corrective action procedures.
- Oil-water separator operation and effluent monitoring procedures.
- Waste segregation, handling, storage and disposal procedures.
- Environmental monitoring procedures for effluent quality, air emissions, soil and site conditions.
- ESIA and environmental audit processes.
- Compliance obligations under EMCA, Water Quality Regulations, Waste Management Regulations, Air Quality Regulations and applicable NEMA licensing requirements.

To strengthen spill prevention and containment capability, we also maintain engineering and operational controls, including motorised inlet valves, high-level alarms, emergency shutdown and isolation systems, leak detection and monitoring systems, bunded containment areas, paved tank bunds and leak-proof drainage systems.

Actions and initiatives implemented during the reporting period

During the reporting period, we continued implementing pipeline integrity programmes, preventive maintenance activities and environmental monitoring initiatives across operational sites. We also strengthened spill-response preparedness, waste-management practices, and operational controls to reduce environmental risks and improve incident-response capability.

In support of emergency preparedness and coordinated incident response, we continued to engage regulatory agencies and industry partners through multi-agency coordination arrangements that support spill preparedness, emergency response and environmental protection across land-based and marine operational environments. Some of the actions are detailed below.

Spill prevention and operational controls

Operational spills may occur during several stages of petroleum handling, including pipeline transportation, tank storage, truck loading operations and product transfer activities. Potential spill risks, therefore, exist across multiple operational points within our infrastructure network.

Key operational spill risks include:

- Loss of primary containment from pipelines.
- Tank overspill during product receipt or storage.
- Spills during truck loading operations at depots.
- Spills during transfer of product between operational systems and storage infrastructure.
- Leaks arising from equipment failure, corrosion or abnormal operating conditions.

To manage these risks, we implement a combination of engineering safeguards, infrastructure controls, operational procedures and monitoring systems designed to prevent product loss and minimise environmental exposure.

Engineering safeguards

Engineering safeguards implemented across operational facilities include:

- Motorised inlet valves linked to storage tanks to support controlled product transfer.
- High-level alarm systems designed to prevent tank overflows.
- Emergency shutdown systems and operational isolation controls.
- Sluice gate systems used to isolate operational areas during spill incidents.
- Leak detection and operational monitoring systems.

Infrastructure controls

Infrastructure measures implemented to minimise environmental exposure include:

- Paving of tank bund areas and pump rafts to prevent seepage into soil.
- Installation of leak-proof drainage systems to contain and channel contaminated runoff.
- Bunded containment structures around storage infrastructure.
- Containment systems designed to prevent spills from spreading beyond operational areas.

Together, these measures reduce the likelihood of uncontrolled product releases and support rapid containment and response where incidents occur.

Marine spill prevention and response preparedness

Petroleum import and transfer activities associated with coastal and marine infrastructure present potential risks of marine pollution if spills or product releases are not effectively prevented and managed during offloading and transfer operations.

Potential marine-related spill risks may arise during:

- Vessel offloading operations.
- Transfer of petroleum products through marine receipt infrastructure.
- Storage and transfer activities associated with coastal petroleum handling facilities.
- Equipment or hose failure during product transfer operations.

To minimise these risks, we implement operational controls, monitoring systems and emergency response procedures designed to support safe petroleum handling and rapid response capability during marine-related operations.

Our approach includes:

- Operational inspection and monitoring during offloading activities.
- Preventive maintenance of transfer infrastructure and associated equipment.

- Spill containment and recovery preparedness measures.
- Emergency response coordination arrangements with relevant agencies and industry partners.

Because effective marine spill preparedness requires coordinated multi-agency response capability, we participate in collaborative industry and national spill response arrangements together with agencies and organisations involved in marine environmental protection and petroleum handling operations.

Through collaboration with KPA, KPRL, KMA, OSMAG and other relevant agencies, we participate in joint preparedness activities including spill response drills, emergency exercises, equipment inspections, surveillance, response coordination and operational readiness initiatives designed to strengthen preparedness for potential marine pollution incidents affecting coastal and marine environments.

Marine spill preparedness and response

Indicator	Unit	2023/24	2024/25	2025/26
Marine spill response exercises conducted	Number	1	1	▲
Joint spill preparedness exercises with external agencies	Number	1	1	▲
Personnel trained in marine spill response	Number	-	-	▲
Facilities covered by spill response plans	%	100%	100%	▲
Marine spill incidents reported	Number	0	0	▲
Marine spill response exercises conducted	Number	1	1	▲

Protection of soil and groundwater

Protecting soil and groundwater resources is an important component of environmental management across our petroleum transportation and storage operations.

Areas with elevated spill exposure include tank farms, pump stations, truck loading areas and pipeline transfer points. To reduce the risk of soil or groundwater contamination in these areas, we implement both preventive and monitoring measures. Preventive measures include:

- Containment structures around storage tanks and operational infrastructure.
- Paved operational areas designed to minimise hydrocarbon infiltration into soil.
- Engineered drainage systems that channel potentially contaminated runoff into treatment systems.
- Leak detection systems designed to identify abnormal operating conditions early.

Operational spills occurring within facilities are directed through controlled drainage systems connected to treatment infrastructure to minimise environmental exposure.

To further strengthen groundwater protection, we plan to progressively install groundwater monitoring wells (piezometers) near key operational facilities to monitor potential hydrocarbon contamination in underground aquifers.

Soil and groundwater protection indicators

Indicator	Unit	2023/24	2024/25	2025/26
Sites assessed for soil contamination	Number	15	23	▲
Groundwater monitoring points established	Number	0	4	▲
Confirmed incidents of groundwater contamination	Number	0	0	▲
Sites undergoing remediation	Number	0	0	▲

Water and effluent management

Facilities handling petroleum products are equipped with oil-water separator (OWS) systems designed to remove hydrocarbons from wastewater generated during operational activities.

Water collected from operational areas is channelled through leak-proof drainage systems into oil-water separators, where petroleum residues are separated from water before discharge. Effluent discharged from these systems is inspected and monitored regularly to support compliance with national environmental standards and discharge requirements.

Effluent quality monitoring is conducted quarterly to verify compliance with the EMCA (Water Quality) Regulations, 2006 (Legal Notice No.120 of 2006), governing the discharge of effluent into the environment.

We continue to strengthen water management and monitoring systems to improve visibility of operational water use, wastewater treatment and effluent discharge volumes across facilities.

Water and effluent management performance

Indicator	Unit	2023/24	2024/25	2025/26
Total water withdrawal	m ³	-	-	▲
Water consumed	m ³	148,262	158,749	▲
Effluent generated	m ³	-	-	▲
Effluent treated through oil-water separators	m ³	-	-	▲
Effluent discharged after treatment	m ³	-	-	▲
Effluent samples meeting regulatory standards	%	90% (18/20 samples)	84% (16/19 samples)	▲
Significant spills affecting water bodies	Number	1	0	▲

Waste management

Operational activities generate different categories of waste, including contaminated materials, oily waste, sludge, used absorbents, scrap materials and general operational waste. Effective waste management is essential to prevent environmental contamination and ensure regulatory compliance.

Waste generated at operational facilities is collected in designated containers, segregated where appropriate and stored safely before transfer to licensed waste management contractors.

We engage NEMA-licensed waste management contractors to collect, transport and dispose of waste generated from our operations in accordance with environmental regulations and applicable waste handling requirements.

Using licensed contractors supports safe handling, transportation and disposal of waste while maintaining traceability and accountability throughout the waste management process.

We continue to strengthen waste data management systems to improve visibility into waste generation, recovery, recycling and disposal activities across operational facilities.

Waste management performance

Waste category	Unit	2023/24	2024/25	2025/26
Hazardous waste generated	tonnes	-	-	▲
Hazardous waste generated	m ³	-	-	▲
Non-hazardous waste generated	tonnes	-	-	▲
Waste disposed through licensed contractors	tonnes	-	-	▲
Waste recycled or recovered	tonnes	-	-	▲
Waste diverted from disposal	tonnes	-	-	▲

Air emissions and local air quality

Air emissions associated with our operations occur primarily in depot environments and petroleum-handling facilities. These emissions arise mainly from vehicle activity, tanker movements, storage tank operations and product handling processes. Primary sources of local air emissions include:

- Exhaust emissions from trucks and operational vehicles.
- Dust generated by tanker movements entering and leaving depot facilities.
- Vapour emissions from storage tanks during loading and product handling operations.
- Combustion-related emissions from operational equipment and generators.

These emissions are generally localised within operational areas and are monitored as part of our environmental management processes.

We conduct routine monitoring of stack emissions and ambient air quality to support compliance with NEMA Air Quality Regulations. Monitoring activities focus on:

- Particulate matter (PM10 and PM2.5).
- Sulphur oxides (SOx).

- Nitrogen oxides (NO_x).
- Volatile organic compounds (VOCs).

Corrective measures are implemented where non-compliance or abnormal conditions are identified during monitoring activities. We continue strengthening air emissions measurement and data collection systems to support improved environmental reporting in future reporting periods.

Air emissions monitoring

Indicator	Unit	2024/25	2023/24	2025/26
Volatile organic compound (VOC) emissions	tonnes			▲
Nitrogen oxides (NO _x) emissions	tonnes			▲
Sulphur oxides (SO _x) emissions	tonnes			▲
Particulate matter emissions	tonnes			▲
Dust emissions from depot activities	tonnes			▲

Environmental incidents and spill response

Environmental incidents such as spills, leaks or accidental discharges are recorded, investigated and managed through our incident management and emergency response systems. Where incidents occur, response procedures are implemented to:

- Contain the release.
- Recover spilled product where feasible.
- Prevent migration of contaminants.
- Assess environmental impacts.
- Implement remediation and restoration measures.
- Implement corrective actions to reduce recurrence.

Each incident is investigated to determine root causes, assess environmental impacts and identify opportunities to strengthen preventive controls and operational procedures.

Tracking environmental incidents supports trend analysis, continuous improvement and reduction of recurring operational risks across our infrastructure network.

Environmental incidents and spill response performance

Indicator	Unit	2023/2024	2024/25	2025/26
Number of environmental spills	Number	27	Not quantified in tonnes	▲
Volume of product released	m ³	24	Not quantified	▲
Number of spills reaching soil	Number	25	Not quantified	▲
Number of spills reaching water bodies	Number	1	24	▲
Sites requiring environmental remediation	Number	0	0	▲
Product recovered from spill incidents	m ³	Not quantified	Not quantified	▲
Reportable environmental incidents	Number	27	Not quantified	▲
Spill response exercises conducted	Number	-	24	▲
Personnel trained in spill response	Number	313		▲

Environmental compliance and continuous improvement

Our environmental management practices are guided by Kenya's environmental regulatory framework and international environmental management principles applicable to petroleum transportation and storage operations. Key regulations governing our operations include:

- Environmental Management and Coordination Act (EMCA).
- EMCA (Water Quality) Regulations, 2006.
- EMCA (Waste Management) Regulations.
- Environmental permitting requirements administered by the NEMA.

We conduct environmental monitoring, inspections and regulatory reporting to support compliance with applicable environmental requirements and strengthen environmental performance across our operations.

We continue to strengthen environmental monitoring systems, incident reporting processes and operational data management to improve environmental visibility, support regulatory compliance and enhance future sustainability disclosures.

Environmental compliance

Indicator	Unit	2023/24	2024/25	2025/26
Significant environmental incidents	Number	Not quantifiable	1,078	▲
Non-compliance with environmental laws and regulations	Number	27	24	▲
Environmental fines or penalties	KShs	3	3	▲
Environmental audits conducted	Number	-	-	▲
Facilities covered by environmental monitoring programmes	%	-	-	▲

Protecting soil, water resources, air quality and surrounding communities remains an important responsibility across our petroleum transportation and storage operations. We continue to strengthen spill prevention systems, environmental monitoring processes, emergency response capability and environmental reporting practices to support responsible operations, regulatory compliance and long-term environmental stewardship across our infrastructure network.

Asset Integrity, Pipeline and Terminal Safety; Critical Incident Management

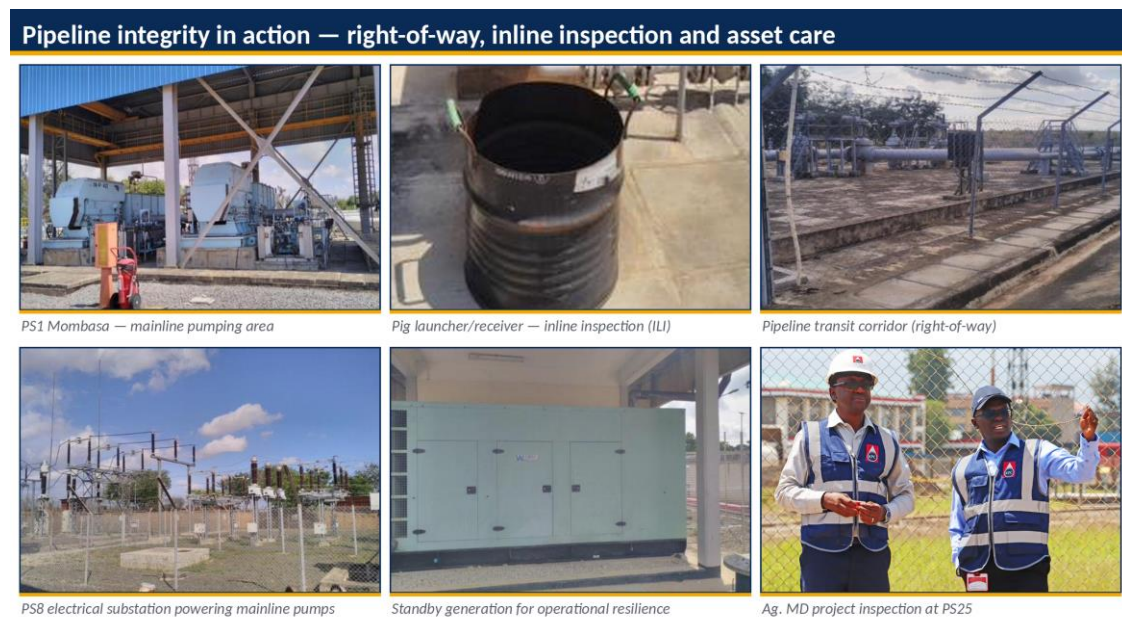


Figure 15: Pipeline integrity in action — right-of-way, ILI and asset care

Maintaining the integrity, safety and reliability of our pipeline and terminal infrastructure is fundamental to ensuring safe operations, protecting communities and maintaining continuity of fuel supply across Kenya and the wider East African region. Our pipeline network, pumping stations, depots, and associated

facilities represent critical national energy infrastructure valued at more than KShs 100 billion and play an important role in supporting national energy security and economic activity.

Because petroleum products are flammable and potentially hazardous, failures affecting pipeline systems, storage infrastructure or terminal operations may expose employees, contractors, surrounding communities and infrastructure to significant safety and operational risks. Potential consequences may include fires, explosions, loss of primary containment, operational disruptions and interruptions to fuel transportation and storage operations.

Stakeholder engagement undertaken during the reporting period highlighted continued stakeholder concern regarding infrastructure reliability, pipeline leaks, operational safety, emergency preparedness, vandalism, encroachment along pipeline corridors and continuity of fuel supply.

We apply an integrated asset integrity and process safety management approach designed to prevent loss of primary containment, strengthen operational reliability and reduce the likelihood of critical incidents across our infrastructure network. This approach combines engineering controls, operational monitoring systems, preventive maintenance programmes, infrastructure surveillance, safety management systems and emergency preparedness measures.

Asset integrity and operational reliability

Maintaining the integrity and reliability of our pipeline infrastructure requires continuous inspection, monitoring and preventive maintenance across operational facilities and pipeline systems. Our integrity management approach focuses on:

- Preventing loss of primary containment.
- Identifying and addressing infrastructure defects early.
- Maintaining safe operating conditions across pipelines and terminals.
- Strengthening operational reliability and continuity of supply.
- Reducing the likelihood of critical operational incidents.

Integrity management activities are prioritised based on operational risk, infrastructure criticality and the potential safety consequences associated with different pipeline segments and facilities.

We conduct integrity inspections, maintenance activities and operational assessments across pipelines, depots, pumping stations and associated infrastructure to support safe and reliable operations.

Pipeline inspection and preventive maintenance

Preventive maintenance is an important component of our asset integrity management programme. We deploy Pipeline Inspection Gauges (PIGs) for pipeline cleaning, inspection and maintenance activities.

- Corrosion.
- Cracks.
- Dents or deformation within the pipeline system.

Early identification of integrity risks enables maintenance teams to implement corrective actions before defects escalate into pipeline failures or operational disruptions.

Digital monitoring and operational control systems

To strengthen operational oversight and improve the reliability of our infrastructure network, we continue to invest in operational monitoring and control technologies.

Supervisory Control and Data Acquisition (SCADA)

Our Supervisory Control and Data Acquisition (SCADA) system provides centralised monitoring and control of pipeline operations across the network. Key functions of the SCADA system include:

- Real-time monitoring of pipeline operations.
- Automatic shutdown of pipeline systems during emergencies.
- Detection of leaks or abnormal pressure conditions.
- Automated alarms for scheduled equipment maintenance.
- Remote access to operational data and system monitoring.

Smart sensors and monitoring infrastructure

Smart sensors installed along the pipeline support monitoring of pressure changes, abnormal operating conditions and potential pipeline breaches. These systems strengthen operational visibility and support rapid response where abnormal conditions are identified.

A 96-core fibre-optic cable installed along the pipeline network also supports operational communication and monitoring capabilities across infrastructure systems.

Infrastructure integrity and monitoring

Indicator	Unit	2023/24	2024/25	2025/26
Length of pipeline network monitored	km	1,342	1,342	▲
Number of aerial surveillance inspections conducted	Number	1	2	▲
Number of ground patrol inspections conducted	Number	-	-	▲
Number of pipeline integrity inspections using PIGs	Number	21	21	▲
Number of leak detection events investigated	Number	-	-	▲
Preventive maintenance activities completed	Number	52	52	▲
Unplanned operational shutdowns	Number	3	3	▲

Indicator	Unit	2023/24	2024/25	2025/26
Pipeline system availability	%	8	6	▲

Pipeline and Terminal Safety

Maintaining safe operating conditions across pipeline systems, depots and terminal facilities is essential to preventing operational incidents and protecting employees, contractors, surrounding communities and infrastructure.

We apply operational safety controls across petroleum handling, storage and transportation activities, including:

- Permit-to-work systems for high-risk operational activities.
- Operational isolation and shutdown procedures.
- Fire detection and firefighting systems.
- Safety inspections across operational facilities.
- Contractor safety management and operational induction programmes.
- Routine monitoring of operational conditions and safety controls.

These measures support process safety management and help reduce the likelihood of fires, explosions and other critical operational incidents.

Safety Culture, Training and Operational Preparedness

Maintaining pipeline and terminal safety requires a strong organisational safety culture supported by continuous training and operational preparedness. We promote a proactive safety culture through:

- Mandatory safety induction programmes for contractors.
- Regular safety training for employees.
- Specialised training for technical and operational teams.
- Quarterly safety awareness programmes and safety weeks.

Training programmes cover areas such as emergency response, first aid, incident investigation, firefighting and operational safety procedures. These initiatives strengthen staff preparedness and support effective response capability during operational incidents and emergencies.

Safety training and preparedness

Training Programme	Participants (FY 2024/25)	2025/26
Health & Safety Committee Training	405	▲
Incident Investigation Training	299	▲
Fire Marshal Training	313	▲

Training Programme	Participants (FY 2024/25)	2025/26
First Aid Refresher Courses	61	▲
TOTAL Safety Training Participants	1,078	▲

Pipeline Security, Vandalism and Encroachment Management

Protecting pipeline corridors and operational infrastructure from third-party interference, vandalism and encroachment is an important component of maintaining asset integrity and operational safety.

Unauthorised excavation activities, illegal tapping, encroachment along pipeline wayleaves and other forms of interference may expose pipeline infrastructure to significant integrity and safety risks. These risks may also disrupt fuel transportation operations and increase the likelihood of operational incidents.

We also engage communities and local stakeholders along pipeline corridors to strengthen awareness of pipeline safety requirements and reduce risks associated with unauthorised activities near operational infrastructure.

Pipeline Right-Of-Way Protection and Demarcation

We maintain clearly demarcated pipeline corridors using bollards and concrete markers installed at regular intervals along pipeline routes. These markers support visibility of pipeline locations during routine monitoring, construction activities and emergency response situations. Markers installed along the pipeline network include:

- Boundary markers indicating the extent of the pipeline wayleave.
- Aerial markers supporting aerial surveillance and location identification.
- Cathodic protection markers identifying corrosion protection systems installed along buried pipelines.

These measures help reduce the risk of accidental interference and damage arising from construction activities or land use near pipeline infrastructure.

Pipeline Surveillance and Monitoring

We conduct both aerial and ground surveillance activities across the pipeline network to support early detection of encroachments, unauthorised activities and integrity risks. Our surveillance activities include:

- Aerial inspections using low-flying helicopters.
- Ground patrols conducted by security personnel and contracted guards.
- Monitoring of activities occurring near pipeline corridors and operational facilities.
- Site inspections where developments are proposed near pipeline infrastructure.

Where community development projects are approved near operational infrastructure, our engineers conduct site assessments and communicate safety requirements relating to excavation, machinery use and activities within the pipeline wayleave.

Pipeline security and wayleave protection

Indicator	Unit	2023/24	2024/25	2025/26
Pipeline patrols conducted	km			▲
Encroachment incidents identified	Number			▲
Illegal tapping/vandalism incidents	Number			▲
Wayleave inspections completed	Number			▲
Security surveillance activities conducted	Number			▲

Critical Incident Management and Emergency Preparedness

Managing high-consequence operational risks requires effective emergency-preparedness systems and a coordinated response capability across operational facilities and infrastructure.

We maintain emergency response procedures designed to support rapid response to operational incidents, including:

- Pipeline leaks and failures.
- Fires and explosions.
- Product loss or operational shutdowns.
- Security incidents affecting operational infrastructure.
- Other critical operational emergencies.

Our emergency preparedness approach includes:

- Emergency response plans across operational facilities.
- Incident escalation and communication procedures.
- Operational shutdown and isolation capability.
- Firefighting systems and emergency equipment.
- Coordination with external emergency response agencies and security authorities.
- Routine drills, simulations and operational preparedness exercises.

These measures support operational resilience and strengthen our ability to respond effectively to critical incidents affecting infrastructure, personnel or continuity of operations.

Critical incidents and operational safety performance

Indicator	2023/24	2024/25	2025/26
Product Spillage	27	24	▲
Equipment Damage	15	12	▲
Medical Treatment Injury	14	6	▲
Lost Time Injury	1	1	▲
Fire	4	5	▲
Near Miss	5	1	▲
First Aid Case	4	2	▲
Contamination	1	1	▲
Truck Overfill	1	2	▲
Motor Vehicle Damage	3	2	▲
Fall from Height	0	1	▲
TOTAL	74	56	▲

The reduction in total incidents reflects ongoing improvements in safety awareness, infrastructure monitoring, operational controls and incident prevention measures across our operations.

Safety Performance summary

Safety Indicator	2023/24	2024/25	2025/26
Total Incidents Reported	74	56	▲
Fatalities	0	0	▲
Lost Time Injury Frequency Rate (LTIFR)	0.28	0.28	▲
Total Recordable Injury Freq. Rate (TRIFR)	3.39	2.54	▲
Safety Observations & Corrective Actions (SOCA)	1,839	2,239	▲

Safety performance dashboard — FY2024/25

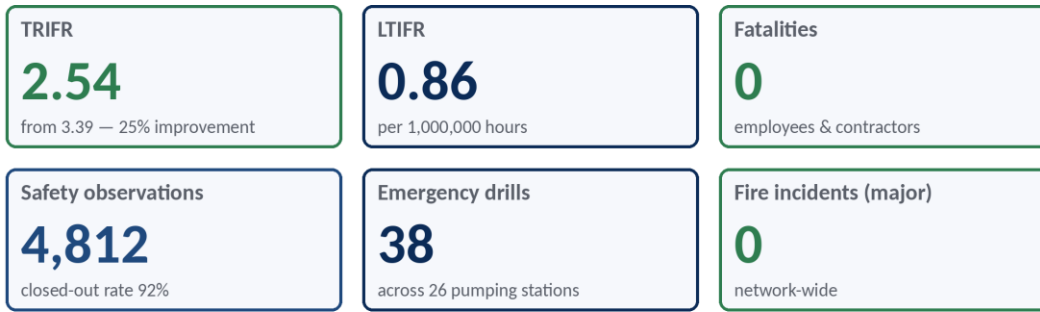


Figure 16: Safety performance dashboard — FY2024/25

Occupational health and safety performance trend

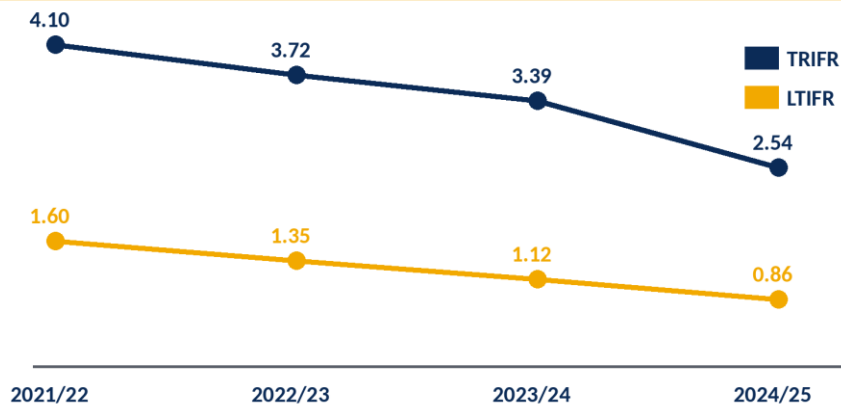


Figure 17: Occupational health and safety performance trend

Compliance, Governance and Continuous Improvement

Our asset integrity and safety management practices are guided by national regulatory frameworks, internationally recognised management standards and continuous improvement principles applicable to petroleum transportation and storage infrastructure. Key regulatory frameworks governing our operations include:

- Occupational Safety and Health Act (OSHA), 2007.
- Environmental Management and Coordination Act (EMCA).
- Guidelines and requirements issued by the Energy and Petroleum Regulatory Authority (EPRA).

We obtain the required operational licences and conduct both internal and external audits to verify compliance with regulatory requirements and strengthen operational performance.

Our operations are also supported by internationally recognised management system certifications, including:

- ISO 45001:2018 Occupational Health and Safety Management Systems.
- ISO 14001:2015 Environmental Management Systems.
- ISO 17025:2017 Laboratory Testing Competence.
- ISO 9001:2015 Quality Management Systems.

Findings from audits, inspections and incident investigations are used to strengthen operational procedures, improve process safety controls and enhance infrastructure reliability across the network.

Biodiversity and Ecosystem Protection

Our pipeline network, depots, pumping stations and associated infrastructure interact with diverse terrestrial, freshwater and coastal ecosystems across Kenya. Because pipeline infrastructure extends across a geographically extensive corridor, operational activities such as excavation, maintenance works, vegetation management, access road development and infrastructure upgrades may affect surrounding ecosystems and habitats if not properly managed.

Potential biodiversity-related impacts associated with our operations may include:

- Disturbance of vegetation and natural habitats along pipeline corridors and operational sites.
- Habitat fragmentation associated with linear infrastructure development.
- Soil erosion and land degradation arising from excavation or maintenance activities.
- Impacts on wetlands, river crossings and coastal ecosystems.
- Disturbance of environmentally sensitive areas during operational or maintenance activities.

Environmental management is particularly important in areas where infrastructure traverses wetlands, river systems, forests and coastal ecosystems and in areas experiencing changing land-use patterns or increasing settlement activity.

Stakeholder engagement undertaken during the materiality assessment process highlighted continued stakeholder interest in environmental management, ecosystem protection, land-use management and environmental stewardship surrounding operational infrastructure.

We therefore integrate biodiversity and ecosystem considerations into infrastructure planning, environmental management and operational decision-making processes to minimise ecosystem disturbance and support long-term environmental resilience around our infrastructure network.

Biodiversity Management Approach

We apply a mitigation hierarchy approach to biodiversity management across our operations. This approach prioritises:

- Avoiding impacts on environmentally sensitive areas where feasible.
- Minimising vegetation disturbance and ecosystem impacts during operational and maintenance activities.

- Restoring disturbed areas following maintenance, rehabilitation or construction activities.
- Supporting ecosystem restoration initiatives in partnership with stakeholders and local communities.

This approach is implemented through:

- Environmental and Social Impact Assessments (ESIAs) for relevant projects and operational activities.
- Environmental management plans and operational controls.
- Pipeline corridor monitoring and wayleave management.
- Rehabilitation of disturbed areas following maintenance activities.
- Environmental monitoring and compliance programmes.
- Collaboration with regulators, environmental institutions and local communities.

These measures support responsible infrastructure stewardship while helping to maintain ecosystem integrity and environmental resilience across operational areas.

Ecosystem and Habitat Protection Around Infrastructure

Maintaining operational infrastructure across a geographically extensive pipeline network requires continuous interaction with surrounding ecosystems and land-use activities. Our pipeline corridors traverse agricultural land, settlement areas, rangelands, forests, wetlands, river crossings and coastal environments.

We seek to minimise ecosystem disturbance associated with operational activities through:

- Controlled vegetation management along pipeline corridors.
- Monitoring of environmentally sensitive operational areas.
- Erosion prevention and land stabilisation measures.
- Environmental controls during excavation and maintenance works.
- Management of operational activities near water bodies and wetlands.
- Restoration of disturbed areas following infrastructure works, where applicable.

Environmental monitoring and operational inspections help identify areas requiring additional mitigation measures, rehabilitation or ecosystem protection interventions.

Environmental management systems implemented across our operations are guided by EMCA, NEMA and ISO 14001:2015 requirements. Environmental monitoring activities include groundwater monitoring, effluent quality monitoring and environmental inspections across operational facilities and environmentally sensitive areas.

Preventing operational incidents and maintaining infrastructure integrity are also important components of protecting surrounding ecosystems and biodiversity-sensitive environments connected to our operational footprint.

Restoration and Ecosystem Rehabilitation Initiatives

Environmental restoration and rehabilitation form an important component of our broader environmental stewardship approach. During the reporting period, we continued to support ecosystem restoration initiatives aimed at strengthening ecological recovery, improving environmental resilience and rehabilitating degraded ecosystems within areas connected to our operational footprint.

Mangrove Restoration at Jomvu Kuu Creek

In partnership with Community Forest Associations (CFAs), the Kenya Forest Service (KFS) and local stakeholders, we supported restoration activities at Jomvu Kuu Creek in Mombasa County to rehabilitate degraded mangrove ecosystems and strengthen coastal ecosystem resilience. Mangrove ecosystems play an important ecological role by:

- Supporting biodiversity and marine ecosystems.
- Stabilising coastal environments and shorelines.
- Supporting ecosystem resilience and watershed protection.
- Enhancing ecological recovery within degraded coastal environments.

During the reporting period:

- More than 209,000 mangrove seedlings were planted as part of restoration activities at Jomvu Kuu Creek.
- Restoration activities were implemented in collaboration with CFAs and environmental stakeholders as part of broader coastal ecosystem rehabilitation initiatives.

These initiatives contribute to the rehabilitation of degraded coastal ecosystems and strengthen environmental resilience within operational areas near the coastline.

Forest Restoration and Afforestation Initiatives

We also supported terrestrial reforestation and afforestation initiatives across inland operational areas and degraded ecosystems through partnerships with environmental agencies, local communities and institutional stakeholders.

Key initiatives implemented during the reporting period included:

- Tree planting and greening initiatives across operational areas and station locations, including Samburu, Manyani, Mtito Andei, Makindu, Konza and Sultan Hamud.
- Environmental conservation activities supporting rehabilitation of degraded landscapes and strengthening ecosystem resilience within operational areas and surrounding communities.
- Reforestation initiatives involving the planting of terrestrial tree seedlings in partnership with environmental stakeholders and local communities.

These initiatives support ecosystem rehabilitation, erosion prevention, soil conservation and long-term environmental resilience across operational and surrounding community landscapes.

Partnerships and Stakeholder Collaboration

Protecting ecosystems and strengthening environmental resilience require collaboration with communities, regulators and environmental stakeholders.

During the reporting period, biodiversity and restoration initiatives were implemented in collaboration with a range of environmental institutions, government agencies, community organisations and local stakeholders. These included the KFS, NEMA, Community Forest Associations (CFAs), county stakeholders and local communities, as well as institutional partners such as the Kenya Defence Forces, the Kenya Navy, the Greens of Africa Foundation and the Equity Group Foundation.

These partnerships support community participation in ecosystem restoration, strengthen environmental awareness and promote shared stewardship of natural resources in operational areas.

Our engagement with local communities also supports improved understanding of environmental risks associated with pipeline infrastructure and encourages participation in environmental protection initiatives along the pipeline corridor.

Environmental Monitoring, Compliance and Governance

Environmental monitoring programmes, inspections and compliance processes help identify operational impacts, support corrective actions and strengthen environmental stewardship across operational facilities and pipeline infrastructure.

Our environmental management activities include:

- Monitoring of effluent discharge and groundwater quality.
- Environmental inspections and compliance assessments.
- Waste segregation and pollution prevention initiatives.
- Environmental laboratory testing and monitoring activities.
- Rehabilitation and restoration initiatives in environmentally sensitive areas.

Findings from environmental monitoring and stakeholder engagement activities are incorporated into environmental management plans, operational controls and restoration programmes to support continuous improvement in environmental performance.

Biodiversity and ecosystem restoration performance

Indicator		2023/24	2024/25	2025/26
Total trees and seedlings planted	Number		1,046,996	▲
Mangrove seedlings planted	Number		209,000	▲
Mangroves planted since 2017	Number		711,980	▲

Indicator		2023/24	2024/25	2025/26
Total trees planted since 2017	Number		1,803,932	▲
Area under restoration initiatives	Hectares		170	▲
Community Forest Associations engaged	Number		15	▲
Green jobs supported through environmental initiatives	Number		2,465+	▲
Forest fencing supported	km		120	▲

Post-period milestone – Jomvu Kuu mangrove restoration (Mombasa County): since inception of the programme in 2021, a cumulative total of **1,216,020 mangrove seedlings** had been planted at Jomvu Kuu Creek as at 9 June 2026, across three planting phases, community-based organisation donations and special environmental-day events. This milestone falls within FY2025/26 and will be fully reported in the next cycle.



Figure 18: Green legacy — Jomvu Kuu mangrove restoration (1,216,020 seedlings since 2021)

Social Impacts

Employment Practices, Labour Rights and Human Rights

Our employees and non-employee workers play a critical role in supporting the safe, reliable and efficient transportation and storage of petroleum products across our infrastructure network. Maintaining

responsible employment practices, fair labour conditions and a respectful workplace is therefore fundamental to operational performance, workforce wellbeing and long-term organizational sustainability.

As a technically intensive and operationally sensitive business, our workforce includes employees engaged across engineering, pipeline operations, maintenance, safety, laboratory services, security, logistics and administrative functions. We also engage contractors and service providers who support specialised operational and technical activities across KPC-controlled sites.

Stakeholder engagement undertaken during the materiality assessment process highlighted workforce wellbeing, fair employment practices, diversity and inclusion, employee development, workplace safety and responsible labour practices as important stakeholder considerations.

We are committed to maintaining employment practices aligned with Kenyan labour laws, internal policies and recognised labour and human rights principles. Our workforce management approach is guided by our strategic “People” pillar, which emphasises leadership, integrity, diversity, equity, inclusion and continuous professional development.

Employment Practices and Workforce Management

We seek to maintain a workplace where employees feel respected, valued and empowered to contribute their skills and experience across the organisation. Our employment practices support workforce stability, operational continuity and long-term capability development across operational and administrative functions.

Our workforce comprises permanent employees, contract employees, temporary employees and non-employee workers engaged across operational facilities, depots, pumping stations and corporate offices.

During the reporting period, we employed 1,549 employees across the organisation compared to 1,576 employees in 2023/24. Workforce changes during the year reflected normal operational requirements, retirements, resignations and contract transitions.

Workforce composition by employment category

Employee Category	2024/25 (Group)	2023/24 (Group)	2025/26
Permanent Management	709	723	▲
Permanent Unionisable	642	671	▲
Contract Managers	30	30	▲
MTCC / GYM / Other Contract	87	75	▲
Temporary Staff (Relief Drivers)	34	29	▲
Secondment	4	4	▲
Interns	43	44	▲
TOTAL	1,549	1,576	▲

Workforce composition by gender

Category	2023/24	2024/25	2025/26
Male	1,019	1,000	▲

Category	2023/24	2024/25	2025/26
Female	557	549	▲
Total	1,576	1,549	▲

Workforce composition by age group

Category	2023/24	2024/25	2025/26
Under 30 years	-	-	▲
30–50 years	-	-	▲
Above 50 years	-	-	▲

Workforce distribution by ethnicity

KPC maintains a diverse workforce with representation from multiple communities across Kenya, supporting inclusivity and broad national representation within the organisation.

Non-employees Workers

KPC engages contractors, interns, and attaches across operational sites. All non-employees undergo mandatory safety induction upon entry.

While employed by third parties, these workers may perform work on KPC-controlled sites and are required to comply with our operational procedures, workplace standards, safety requirements and Code of Conduct expectations.

Contractors and service providers operating on KPC-controlled sites are expected to:

- Adhere to workplace health and safety requirements.
- Comply with operational and security procedures.
- Maintain ethical labour practices and professional conduct.
- Respect human rights and workplace dignity principles.
- Participate in relevant safety inductions and operational briefings.

Workers who are not employees

Category	2023/24	2024/25	2025/26
Contractors working on KPC-controlled sites	30	30	▲
Other workers who are not employees	168	152	▲

Contractor workforce management

Category	2023/24	2024/25	2025/26
Contractors receiving safety induction	30	30	▲
Contractors covered by site safety procedures (%)	30	30	▲
Contractor-related grievances reported	0	0	▲

Employee turnover and workforce movement

Monitoring workforce movement supports workforce planning, succession management and operational continuity across the organisation.

During the reporting period, total employee departures decreased from 72 employees in 2023/24 to 62 employees in 2024/25. Retirement remained the leading cause of employee exits during the year.

Employee turnover and new hires

Indicator	2023/24	2024/25	2025/26
Total number of new hires	47	13	▲
Male new hires	32	7	▲
Female new hires	15	6	▲
Total employee departures	72	62	▲
Employee turnover rate	5.37%	4.79%	▲

Reasons for employee exits

Indicator	2023/24	2024/25	2025/26
Retirement	34	45	▲
Early retirement	17	5	▲
Resignation	13	1	▲
End of contract	0	0	▲
Termination	5	3	▲
Death	3	8	▲
Total	72	62	▲

Labour Rights and Fair Employment

We are committed to maintaining fair employment practices, ethical conduct and equal opportunity across the organisation. Our labour practices are guided by Kenyan labour laws, internal policies, the Code of Conduct and recognised labour rights principles.

We respect employees' rights to freedom of association and collective bargaining in accordance with applicable labour legislation. A segment of our workforce is represented through collective bargaining agreements with the Kenya Petroleum Oil Workers' Union (KPOWU), which represents employees within Kenya's petroleum sector.

Employees may raise workplace concerns through established grievance and reporting mechanisms, including internal reporting channels and the Whistleblower Policy, which supports confidential reporting of unethical conduct, workplace concerns or suspected policy violations without fear of retaliation.

We do not tolerate forced labour, child labour, workplace harassment, discrimination or abusive workplace practices within our operations or KPC-controlled sites.

Collective bargaining coverage

Indicator	2023/24	2024/25	2025/26
Employees covered by collective bargaining agreements (%)	-	642	▲

Workplace grievances and labour-related concerns

Indicator	2023/24	2024/25	2025/26
Employee grievances reported	0	0	▲
Employee grievances resolved	0	0	▲
Labour-related complaints reported	0	0	▲
Human rights-related complaints reported	0	0	▲

*Incidents of discrimination** 35,350,566,015*

Indicator	2023/24	2024/25	2025/26
Incidents of discrimination reported	0	0	▲
Corrective actions taken	N/A	N/A	▲

No incidents of discrimination were reported during the reporting period.

Human Rights and Responsible Workplace Practices

We are committed to maintaining a workplace founded on dignity, fairness, respect and ethical conduct. Human rights considerations are integrated into our internal policies, operational procedures and workforce management practices.

Our Code of Conduct and internal governance frameworks promote:

- Respect for employees and workers.
- Ethical workplace conduct.
- Fair treatment and equal opportunity.
- Confidential reporting of workplace concerns.
- Compliance with applicable labour and employment laws.

Human rights considerations are also integrated into contractor management, workplace safety procedures and operational controls applicable to KPC-controlled sites.

We continue to strengthen awareness of ethical conduct, workplace respect and responsible labour practices through employee communication, internal sensitisation programmes and governance processes across the organisation.

Diversity, Equity and Inclusion

Equity, diversity and inclusion remain important components of our workforce management approach. We seek to create a workplace where individuals feel respected, valued and empowered to contribute their skills and perspectives across operational and leadership roles.

Our commitment to diversity and inclusion is reflected in our recruitment practices, internal policies and workforce development programmes aimed at promoting fairness and equal opportunity across the organisation.

Women represented 35.45% of the workforce during the reporting period, reflecting continued progress towards gender representation objectives applicable to public institutions in Kenya.

We also recognise the importance of supporting inclusion for persons with disabilities and continue strengthening internal data systems to improve monitoring of workforce diversity and representation.

Composition of governance bodies

Category	Male	Female	Total	% Male	% Female
Directors	7	6	13	54%	46%
Senior management	8	6	14	57%	43%

Employees with disabilities

Indicator	2023/24	2024/25	2025/26
Employees with disabilities			▲
Percentage of workforce			▲

Employee Wellbeing and Benefits

Supporting employee wellbeing is important to maintaining a stable, motivated and resilient workforce operating within a technically intensive and high-responsibility environment.

We provide employee benefits designed to support employee well-being, financial security and work-life balance throughout employees' careers at KPC. Benefits available to permanent employees include:

- Medical insurance.
- Pension contributions.
- Paid parental leave.
- Annual leave and statutory entitlements.

Our employee wellbeing approach also includes:

- Occupational health support.
- Employee wellness programmes.
- Workplace safety initiatives.
- Psychosocial wellbeing support.
- Employee engagement and awareness programmes.

Selected benefits may also apply to contractors and temporary employees, depending on the terms of engagement.

Employee wellbeing and support programmes

Indicator	2023/24	2024/25	2025/26
Wellness programmes conducted			▲
Employees participating in wellness initiatives			▲
Employees accessing counselling/wellbeing support			▲

Parental leave

Indicator	2023/24	2024/25	2025/26
Employees who took parental leave	-	-	▲
Male employees taking parental leave	-	-	▲
Female employees taking parental leave	-	-	▲
Employees returning to work after leave	-	-	▲

Learning, Development and Workforce Capability

Maintaining workforce capability is essential within a technically intensive sector such as petroleum transportation and storage.

We continue to invest in training and professional development programmes designed to strengthen technical competencies, operational readiness, leadership capability and regulatory compliance across the organisation.

During the reporting period, employees participated in training programmes covering:

- Operational safety.
- Technical competencies.
- Leadership development.
- Regulatory compliance.
- Emergency preparedness.
- Sustainability and emerging sector issues.

Training programmes are implemented in collaboration with external training institutions and subject-matter experts to support alignment with operational requirements and industry practices.

Training and development summary

Category	2023/24	2024/25	2025/26
Management training hours (Grade 1- 8)	24,984 hrs	Data not segmented to grades	▲
Non-management training hours (Grade 9 – 12)	19,720 hrs		▲
Average training hours per employee	51.1		▲

Training by gender

Category	2023/24 Male	2023/24 Female	2024/25 Male	2024/25 Female	2025/26
Technical training					▲
Leadership training					▲
Safety training			100	26	▲

Average training hours per employee are calculated by dividing total training hours by the total number of employees during the reporting period.

Governance, Engagement and Continuous Improvement

We continue to strengthen workforce management systems, employee engagement processes and human capital reporting capabilities to improve visibility into workforce composition, labour practices, diversity indicators, contractor management and employee development outcomes across the organisation.

Findings from employee engagement processes, workplace assessments, grievance mechanisms and operational reviews are used to strengthen workforce policies, workplace practices and employee support programmes across the organisation.

As workforce expectations and operational requirements continue to evolve, we remain committed to strengthening fair employment practices, supporting labour rights, promoting diversity and inclusion, enhancing workforce wellbeing and improving employee capability development across the organisation.

Occupational Health, Safety and Wellbeing

Safety systems across the network



Fire suppression distribution, PS3



Spill-control bunding, PS14



Backup power for safety-critical systems

Figure 19: Safety systems across the network

The safe transportation and storage of petroleum products is fundamental to our operations. Our pipeline network, depots, pumping stations and associated infrastructure operate within environments where occupational hazards, operational risks and emergency situations must be managed with the highest levels of diligence, operational discipline and preparedness.

Maintaining strong occupational health, safety and wellbeing practices is therefore essential to protecting employees, contractors, visitors and surrounding communities from risks associated with petroleum transportation and storage operations, including exposure to hazardous energy, fire and explosion risks, hydrocarbon-related hazards, equipment failures and operational emergencies.

Stakeholder engagement undertaken during the materiality assessment process identified worker safety, contractor safety, emergency preparedness and occupational wellbeing as key stakeholder priorities.

We apply a prevention-based occupational health and safety approach that prioritises hazard identification, operational risk management, workforce participation, occupational health protection and continuous improvement in safety performance across the organisation.

Occupational Health and Safety Management System

Given the nature of petroleum transportation operations, maintaining robust occupational health and safety systems is critical.

Our Safety, Health and Environment (SHE) management frameworks are aligned with national regulatory requirements, internal operational procedures and recognised international management systems. Our occupational health and safety management approach is guided by:

- OSHA 2007 and related occupational health and safety regulations administered by Department of Occupational HOSHS.

- ISO 9001:2015 Quality Management Systems.
- ISO 45001 occupational health and safety management principles.
- Internal SHE policies, operational procedures and emergency preparedness frameworks.

These systems support our ability to:

- Identify workplace hazards and operational risks.
- Implement preventive and corrective safety measures.
- Strengthen workforce awareness of operational hazards.
- Promote worker participation in safety management.
- Support emergency preparedness and operational resilience.
- Continuously improve occupational health and safety performance.

Regular internal audits, workplace inspections, management reviews and operational assessments support continuous improvement across our occupational health and safety management systems.

Workers covered by the occupational health and safety management system

Category of workers	2023/24	2024/25	2025/26
Employees covered by OHS management system	1,576	1,549	▲
Contractors and non-employee workers covered by site-level safety procedures	183	192	▲
Total workers whose workplace is controlled by KPC	1,576	1,549	▲
Percentage of workers covered by formal OHS management system	100%	100%	▲

Non-employee workers, including contractors, interns and attaches, are subject to site-level safety procedures, contractor safety requirements and operational controls. We continue to strengthen systems aimed at improving the formal integration of all worker categories into occupational health and safety management processes.

Hazard Identification and Operational Risk Management

We maintain structured processes to identify work-related hazards and assess operational risks across pipelines, pumping stations, storage depots and associated facilities. Hazards are identified through:

- Workplace inspections.
- Safety audits.
- Operational risk assessments.
- Incident investigations.
- Safety Observation and Corrective Action (SOCA) reporting.

- Employee hazard reporting mechanisms.

Risk assessments are conducted for both routine and non-routine operational activities and are triggered by operational changes, introduction of new equipment, maintenance activities or reported incidents.

Employees and contractors are encouraged to report hazards and unsafe conditions through established reporting mechanisms, including confidential channels under the Whistleblower Policy, which allow them to report safety concerns without fear of reprisal.

Safety Observations and Corrective Actions

We operate a Safety Observation and Corrective Action (SOCA) system that enables employees to identify and report unsafe conditions, unsafe behaviours and near-miss incidents across operational sites. The system supports proactive hazard identification, operational learning and continuous improvement in safety performance.

Indicators	2023/24	2024/25	2025/26
Total SOCAs	1,761	1,427	▲
Employees reporting	507	483	▲

Across the reporting periods, most observations related to unsafe conditions, accounting for approximately 76% in 2022/23, 75% in 2023/24 and 81% in 2024/25. Near-miss incidents accounted for approximately 14–16% of observations, while unsafe acts represented approximately 8–9%.

Operational stations such as PS10, HQ, PS27 and PS28 recorded the highest levels of safety observations, demonstrating active workforce participation in hazard identification and operational risk management.

Reported hazards are investigated and corrective actions assigned to relevant departments to support timely mitigation and continuous improvement.

Hazard reporting and incident management

Indicaor	2023/24	2024/25	2025/26
Near-miss incidents reported	5	1	▲
Corrective actions implemented	1,839	2,239	▲
Safety audits conducted	21	22	▲
Workplace inspections conducted	1,761	1,427	▲

Worker Participation and Safety Communication

We promote a proactive safety culture in which employees actively participate in identifying risks, reporting hazards and strengthening workplace safety performance across the organisation. Worker participation forms an important component of our occupational health and safety management approach and supports continuous improvement in operational safety practices.

Safety committees operate across operational sites and contribute to:

- Reviewing occupational health and safety performance.
- Supporting incident investigations.
- Monitoring implementation of corrective actions.
- Recommending improvements to workplace safety practices.
- Promoting workforce participation in safety management.

Safety information, operational alerts and hazard awareness guidance are communicated through employee induction programmes, toolbox talks, operational briefings, workplace communication channels, safety awareness campaigns and regular safety meetings conducted across operational facilities.

We also reinforce safety awareness through *Safety Moments* conducted at the beginning of meetings and operational briefings. These short safety discussions encourage employees to reflect on operational risks, reinforce hazard awareness and share lessons learned across the organisation, helping to embed safety consciousness into day-to-day operations and decision-making.

Occupational Health Services and Workforce Wellbeing

Protecting employee health and wellbeing is an important component of our occupational health and safety management approach.

We conduct annual occupational medical examinations and medical surveillance programmes in accordance with OSHA 2007 and Legal Notice No. 24 of 2005. These examinations are conducted by certified occupational health practitioners, and the results are submitted to DOSHS.

Our occupational health programmes are designed to identify and manage potential long-term occupational health risks associated with operational activities, including hearing exposure, respiratory conditions, ergonomic risks and other workplace-related health conditions.

During the reporting period:

- 844 employees underwent occupational medical examinations.
- 522 employees (62%) examined were male.
- 322 employees (38%) examined were female.

Clinical screening results indicated:

- 87 employees (10%) had normal findings.
- 757 employees (90%) presented with at least one clinical abnormality requiring monitoring or follow-up interventions.

Occupational medical examination statistics

Health indicator	Cases	% of employees examined
BMI risk	661	78%

Health indicator	Cases	% of employees examined
High blood pressure	271	32%
Visual conditions	150	18%
Musculoskeletal conditions	127	15%
Hearing conditions (pure tone audiometry)	63	8%
Ear, nose and throat conditions	29	3%
Respiratory conditions	15	2%
Abnormal findings	9	<1%
Cardiovascular conditions	4	<1%

Employees identified with medical conditions requiring attention were referred for further medical evaluation, health monitoring and workplace risk mitigation measures where appropriate. No cases of fatal work-related illness were reported during the reporting period.

Occupational health services provided

Service	Availability	Description
Annual occupational medical examinations	Yes	Conducted in accordance with OSHA 2007 to identify occupational health risks
Medical surveillance programmes	Yes	Includes hearing tests, respiratory assessments, visual screening and laboratory tests
Fitness-for-work assessments	Yes	Supports safe performance of assigned duties
Emergency medical response	Yes	First aid training and emergency preparedness at operational sites
Health and wellness initiatives	Yes	Employee awareness, occupational health monitoring and workplace wellbeing initiatives

Our occupational health management approach also includes:

- Occupational exposure monitoring.
- Workplace health awareness initiatives.
- Fitness-for-work assessments.
- Emergency medical preparedness.
- Workplace health monitoring and surveillance programmes.

Safety Training, Awareness and Emergency Preparedness

Maintaining a safety-aware workforce is essential within a high-risk operational environment such as petroleum transportation and storage.

We provide structured occupational safety training programmes to employees and contractors, including:

- Fire marshal training.
- First aid training.
- Incident investigation training.
- Safety committee training.
- Emergency response preparedness.
- Hazard awareness and operational safety training.

All new employees and contractors undergo safety induction programmes before accessing operational facilities to ensure understanding of operational hazards, emergency procedures and required safety controls.

Safety training and emergency preparedness

Indicator	2023/24	2024/25	2025/26
Safety training sessions conducted		1078	▲
Employees trained in first aid		61	▲
Employees trained in firefighting		313	▲
Emergency response drills conducted			▲
Fire response drills conducted			▲
Employees trained in emergency response		299	▲
Operational sites covered by emergency response plans	21	22	▲
Contractors receiving safety induction			▲

Contractor Safety and Workforce Protection

Contractors working within KPC-controlled facilities are required to comply with occupational health and safety policies, operational procedures and emergency preparedness requirements applicable to operational sites. Contractor safety management includes:

- Mandatory safety induction before site access.
- Compliance with operational safety procedures.
- Monitoring of contractor safety performance.
- Participation in incident investigations where applicable.
- Adherence to site-level emergency preparedness and response procedures.

We continue to strengthen contractor engagement and oversight to support the consistent application of occupational health and safety requirements across operational activities and KPC-controlled sites.

Work-related injuries and operational incidents

We monitor work-related injuries and operational incidents across our operations to strengthen preventive measures and improve occupational safety performance.

Work-related injury statistics

Indicator	2023/24	2024/25	2025/26
Work-related fatalities	0	0	▲
High-consequence injuries (excluding fatalities)	0	0	▲
Recordable work-related injuries	28	9	▲
Rate of recordable work-related injuries	3.39	2.54	▲
Total hours worked	7,200,000	7,100,000	▲

The main types of work-related injuries reported during the reporting period included:

- Injuries involving faulty equipment.
- Exposure to hydrocarbon fumes.
- Slips, trips and falls.
- Minor fire-related injuries.
- Falls from heights.
- Electrocution incidents.
- Musculoskeletal injuries.

Occupational health and safety incidents

Indicator	2023/24	2024/25	2025/26
Near-miss incidents reported	5	1	▲
Lost time injuries	1	1	▲
Medical treatment injuries	14	6	▲
First aid cases	4	2	▲
Occupational illnesses reported	0	0	▲
Fatal work-related illnesses	0	0	▲

Public safety and emergency response

Given the geographic reach of our pipeline network, we recognise our responsibility to minimise risks that could affect surrounding communities, customers and members of the public interacting with our infrastructure.

Emergency preparedness procedures and operational controls are implemented to minimise the risk and consequences of operational incidents that could affect public safety. Emergency preparedness measures include:

- Emergency response procedures across operational facilities.
- Fire detection and firefighting systems.
- Incident escalation and communication protocols.
- Coordination with external emergency response agencies.
- Emergency drills and operational preparedness exercises.

Incidents of non-compliance related to occupational health and safety

We monitor compliance with applicable occupational health and safety regulations governing petroleum transportation, storage and handling operations.

When incidents of non-compliance with occupational health and safety requirements occur, they are investigated and addressed through corrective actions in accordance with regulatory requirements and internal SHE procedures.

Incidents of non-compliance related to occupational health and safety

Indicator	2023/24	2024/25	2025/26
Incidents of non-compliance related to occupational health and safety requirements	0	0	▲
Fines or penalties for non-compliance	0	0	▲
Incidents of non-compliance related to occupational health and safety requirements	0	0	▲
Fines or penalties for non-compliance	0	0	▲

Continuous improvement

We continue strengthening occupational health, safety and wellbeing systems across the organisation through operational reviews, workforce engagement, hazard monitoring, safety training and continuous improvement initiatives.

Findings from inspections, medical surveillance programmes, hazard reporting, incident investigations and emergency preparedness activities are used to strengthen operational controls, improve workplace safety practices and support long-term workforce wellbeing.

As operational risks and workforce expectations continue to evolve, we remain committed to strengthening preventive safety culture, protecting workforce wellbeing, enhancing contractor safety management and improving emergency preparedness capability across the organisation.

Through these efforts, we seek to maintain safe, resilient and operationally responsible petroleum transportation and storage operations while protecting employees, contractors, communities and other stakeholders connected to our activities.

Local communities, land and resource rights

Our pipeline network, depots, pumping stations and associated infrastructure extend across diverse geographic areas and interact with communities, landowners, public infrastructure and environmentally sensitive areas across Kenya. As a result, our operations may influence surrounding communities through land use, wayleave management, infrastructure access restrictions, operational activities and emergency preparedness requirements associated with petroleum transportation and storage.

Potential impacts associated with our operations may include:

- Encroachment along pipeline wayleaves and operational corridors.
- Community safety risks associated with proximity to pipeline infrastructure.
- Land access restrictions and competing land-use activities.
- Disturbance associated with maintenance works, integrity interventions and infrastructure projects.
- Concerns relating to compensation, restoration or access to land.
- Disruption associated with operational incidents or emergency response activities.

Stakeholder engagement undertaken during the materiality assessment process highlighted community engagement, wayleave management, compensation processes, infrastructure safety, environmental stewardship and communication with affected communities as important stakeholder concerns.

We therefore seek to maintain constructive relationships with communities, public authorities, landowners and other stakeholders through ongoing engagement, operational coordination and responsible management of infrastructure-related impacts.

Community engagement and stakeholder dialogue

We engage communities and local stakeholders through structured stakeholder engagement processes aimed at promoting transparency, strengthening communication and improving understanding of operational activities and associated risks.

Community engagement activities may include:

- Community meetings and public participation forums.
- Consultations during projects, maintenance works and operational activities.
- Stakeholder awareness programmes.
- Engagement with local leadership, NGAOs and county governments.
- Public safety awareness initiatives.

- Community grievance handling and dispute resolution engagements.
- Emergency preparedness and response coordination activities.

These engagements support the identification of community concerns, strengthen awareness of operational activities and help improve coordination with stakeholders located near operational facilities and pipeline corridors.

Because our infrastructure traverses densely populated areas, transport corridors, agricultural land and environmentally sensitive locations, engagement approaches vary depending on:

- The nature of operational activities involved.
- The level of potential community impact.
- Safety and security considerations.
- Land-use characteristics surrounding infrastructure.
- The type of stakeholders affected.

Stakeholder engagement activities are conducted in collaboration with county governments, NGAOs, local leaders, regulators and relevant public agencies, depending on the nature of operational activities and stakeholder concerns involved.

We also engage communities and stakeholders during environmental and social impact assessment processes for infrastructure projects and operational developments, in accordance with applicable regulatory requirements.

Wayleave management and land-use protection

Protecting pipeline corridors and maintaining clear wayleaves are important for operational safety, infrastructure integrity and public protection.

Our pipeline infrastructure traverses areas experiencing population growth, urban expansion, agricultural activity and changing land-use patterns. Encroachment along pipeline corridors, therefore, remains a significant operational, safety and community concern.

Potential risks associated with encroachment and unauthorised activities near pipeline infrastructure include:

- Increased public exposure to operational hazards.
- Damage to pipeline infrastructure.
- Interference with maintenance and emergency response access.
- Increased risk of product theft and vandalism.
- Restricted operational access to infrastructure corridors.

Wayleave management activities implemented across our operations include:

- Routine patrols and inspections of pipeline corridors.
- Monitoring of encroachment and unauthorised activities near infrastructure.
- Stakeholder engagement with affected communities and landowners.
- Coordination with county governments, NGAOs and security agencies.
- Public awareness initiatives relating to pipeline safety and corridor protection.
- Mapping and monitoring of high-risk encroachment areas.

Where encroachment or unauthorised activities are identified, we engage relevant stakeholders to help resolve the identified risks and promote the safe use of the land surrounding operational infrastructure.

We continue strengthening public awareness programmes aimed at improving understanding of the risks associated with unauthorised excavation, construction activities, informal settlements and other activities within pipeline corridors and operational safety zones.

Land access, compensation and grievance management

Operational activities, maintenance works and infrastructure projects may occasionally require temporary access to land or engagement with landowners, occupiers and affected stakeholders.

We seek to manage such interactions responsibly through stakeholder engagement, consultation and compliance with applicable legal and regulatory requirements governing land access, infrastructure development and compensation processes. Potential community concerns associated with operational activities may include:

- Temporary restrictions on land access.
- Disturbance during maintenance or repair works.
- Concerns relating to restoration of affected areas.
- Compensation-related concerns.
- Disputes relating to land use or infrastructure access.

We maintain grievance-handling and stakeholder-engagement mechanisms that enable affected stakeholders to raise concerns, complaints or requests related to operational activities, land access or infrastructure-related impacts. Stakeholders may raise concerns through:

- Direct engagement with operational teams.
- Community meetings and stakeholder forums.
- Formal complaints and grievance mechanisms.
- Customer and public complaints channels.
- Engagement with local administration and public authorities.

Reported grievances are reviewed and addressed through established internal processes involving relevant operational, legal, stakeholder management and technical teams depending on the nature of the concern raised.

Where applicable, corrective and remedial actions may include:

- Engagement and consultation with affected stakeholders.
- Site assessments and verification exercises.
- Restoration or rehabilitation measures.
- Compensation processes in accordance with applicable legal and regulatory frameworks.
- Escalation to relevant authorities or dispute resolution mechanisms where necessary.

We continue strengthening internal coordination and stakeholder engagement processes aimed at improving responsiveness, transparency and resolution of community and land-related concerns.

Community safety and emergency preparedness

Maintaining the safety of communities located near pipeline infrastructure remains an important component of our operational risk management approach.

Potential community safety risks associated with petroleum transportation infrastructure may include:

- Exposure to pipeline leaks or fires.
- Unauthorised excavation or interference with infrastructure.
- Vandalism and illegal product tapping.
- Operational incidents affecting nearby communities or public infrastructure.

Community safety initiatives implemented across operational areas include:

- Public awareness programmes on pipeline safety.
- Community sensitisation on risks associated with pipeline interference and vandalism.
- Emergency preparedness and response coordination.
- Engagement with local emergency response agencies.
- Safety awareness during operational and maintenance activities.
- Community communication during operational disruptions or emergency response activities.

Emergency preparedness arrangements support coordination with local authorities, emergency responders, operational teams and surrounding communities in the event of operational incidents affecting public safety.

We also work with security agencies, public authorities and local stakeholders to support the protection of strategic infrastructure and reduce risks associated with vandalism, product theft and unauthorised activities near pipeline infrastructure.

Community investment and local participation

In addition to operational engagement, we support selected community development and environmental initiatives within areas connected to our operational footprint. These initiatives may include:

- Environmental restoration and conservation programmes.
- Support for local education and community initiatives.
- Public health and environmental awareness activities.
- Collaboration with local institutions and community organisations.
- Participation in environmental rehabilitation activities within operational areas.

Where feasible, we also seek to support participation of local suppliers, contractors and service providers in operational and project-related activities in accordance with applicable procurement requirements and operational considerations.

Community engagement, land and grievance management performance

Indicator	Unit	2023/24	2024/25	2025/26
Community consultations conducted	Number			▲
Community engagement forums conducted	Number			▲
Stakeholder meetings held	Number			▲
Communities engaged along pipeline corridors	Number			▲
Community grievances received	Number			▲
Community grievances resolved	Number			▲
Average grievance resolution time	Days			▲
Land access or compensation grievances received	Number			▲
Land access or compensation grievances resolved	Number			▲
Wayleave encroachment cases identified	Number			▲
Wayleave encroachment cases resolved	Number			▲
Public awareness programmes conducted	Number			▲
Community safety awareness sessions conducted	Number			▲
Emergency preparedness engagements with communities	Number			▲
Stakeholder engagements involving county governments/NGOs	Number			▲

Governance and continuous improvement

We continue strengthening systems for stakeholder engagement, wayleave management, grievance handling, land access coordination and community safety management across our operational areas.

Findings from stakeholder engagement activities, grievance mechanisms, operational monitoring, encroachment assessments and community interactions are incorporated into operational planning, infrastructure management and stakeholder engagement approaches to support continuous improvement.

As land-use pressures, infrastructure demands and stakeholder expectations continue to evolve, we remain committed to strengthening responsible community engagement, improving wayleave management, promoting community safety and supporting fair and transparent management of land-related concerns associated with our operations.

Responsible Supply Chain Management

Our supply chain plays an important role in supporting safe, reliable and efficient petroleum transportation and storage operations across our infrastructure network. Through procurement of goods, services and specialised technical support, we engage a wide range of suppliers, contractors and service providers who contribute to infrastructure maintenance, operational continuity and delivery of strategic energy services.

Potential sustainability and operational risks associated with our supply chain may include:

- Supply disruptions affecting infrastructure operations and product movement.
- Supplier non-compliance with safety, labour, environmental or ethical standards.
- Corruption and integrity risks associated with procurement and contracting activities.
- Occupational health and safety risks associated with contractor activities.
- Human rights and labour practice concerns within supplier operations.
- Limited participation of local suppliers and special interest groups in procurement opportunities.

Stakeholder engagement undertaken during the materiality assessment process highlighted procurement integrity, transparency, local supplier participation, supplier accountability and fair access to procurement opportunities as important stakeholder priorities.

We therefore seek to manage supplier relationships responsibly in order to strengthen operational reliability, support local economic participation and promote responsible business practices across our value chain.

Procurement governance and responsible supply chain management

We maintain procurement and supplier management systems aimed at promoting transparency, accountability, operational efficiency and fair competition across procurement activities.

Our procurement and supplier management approach is guided by applicable public procurement regulations, internal procurement procedures, supplier registration requirements, anti-corruption

controls and operational governance processes. These frameworks support transparent procurement processes, supplier due diligence, operational oversight and monitoring of supplier performance across the supply chain.

Procurement activities are supported through digital supplier and procurement platforms that enable suppliers to register, access procurement opportunities, participate in tender processes and manage procurement transactions electronically. These systems improve transparency, strengthen communication between suppliers and procurement teams and support efficient procurement administration.

We continue strengthening procurement governance systems aimed at improving procurement integrity, operational oversight and responsible supplier engagement across all procurement activities.

Supplier engagement and capacity building

Supplier engagement and capacity development form an important component of our responsible supply chain management approach. We engage suppliers through sensitisation programmes, stakeholder forums and procurement awareness initiatives aimed at improving supplier readiness, strengthening understanding of procurement requirements and supporting compliance with applicable regulations.

During the reporting period, in partnership with the Public Procurement Regulatory Authority (PPRA), we organised a three-day training programme for registered and prospective suppliers to strengthen compliance with public procurement and asset disposal regulations.

We also collaborated with the Access to Government Procurement Opportunities (AGPO) programme to conduct an online sensitisation workshop from 24–26 June 2025 under the theme “Embracing New Technology for a Brighter Future.” The workshop aimed to improve supplier readiness, strengthen transparency and support participation of youth, women and persons with disabilities in procurement opportunities.

These engagement initiatives support broader economic participation, strengthen supplier understanding of governance expectations and help improve supplier readiness within procurement processes.

Supplier engagement and development

Indicator	Unit	2023/24	2024/25	2025/26
Supplier training sessions conducted	Number			▲
Suppliers participating in training programmes	Number			▲
AGPO suppliers engaged	Number			▲
Supplier sensitisation workshops conducted	Number			▲
Suppliers participating in supplier engagement forums	Number			▲

Local supplier participation and economic inclusion

Our procurement activities provide opportunities for businesses to participate in supply chains supporting pipeline operations, infrastructure maintenance and operational services.

By engaging suppliers across sectors including engineering, logistics, construction, maintenance and professional services, procurement activities contribute to local economic activity, enterprise development and broader participation within the national economy.

Where feasible and consistent with operational requirements, we seek to support participation of local suppliers in procurement opportunities in accordance with applicable procurement regulations and governance procedures.

Procurement from local suppliers

Procurement expenditure and local-supplier metrics for the reporting period are presented in the Economic Impacts chapter of this report.

Supply chain risk management

Supply chain risks may arise from operational disruptions, supplier non-compliance, labour-related challenges, integrity concerns or broader economic conditions affecting supplier operations.

We therefore maintain supplier governance and oversight mechanisms to strengthen operational reliability and minimise procurement and contractor-related risks. Key areas of supply chain risk management include:

- Supplier due diligence and registration processes.
- Procurement governance and approval controls.
- Monitoring of supplier performance and operational delivery.
- Contractor compliance with operational and safety requirements.
- Supplier engagement and communication processes.
- Compliance with public procurement regulations and internal governance requirements.

Contractors and service providers supporting operational activities are also expected to comply with applicable safety, operational, environmental and ethical conduct requirements associated with KPC-controlled facilities and infrastructure operations. Supplier and contractor oversight supports alignment with operational reliability, occupational health and safety expectations and responsible business practices across the value chain.

Monitoring supplier performance helps ensure that operational activities supported by suppliers meet the safety, quality and reliability standards required across our infrastructure network.

Supplier environmental, social and governance considerations

Promoting responsible business practices within the supply chain is an important component of our sustainability approach.

We maintain a zero-tolerance approach to human rights abuses, including forced labour and child labour and expect suppliers to operate in accordance with applicable labour laws, ethical business practices and occupational health and safety requirements.

Environmental, social and governance considerations integrated within supplier management processes include:

- Compliance with labour and employment requirements.
- Occupational health and safety expectations for contractors and suppliers.
- Environmental management and operational compliance requirements.
- Anti-corruption and ethical business conduct expectations.
- Human rights and workplace dignity considerations.

We continue to strengthen supplier awareness and governance processes to improve the integration of environmental, social and governance considerations into procurement and supplier management activities.

Supplier screening and ESG assessments

Indicator	Unit	2023/24	2024/25	2025/26
New suppliers screened using environmental criteria	%			▲
New suppliers screened using social criteria	%			▲
Suppliers assessed for environmental impacts	Number			▲
Suppliers assessed for labour and human rights practices	Number			▲
Suppliers assessed for anti-corruption and governance risks	Number			▲

Responsible procurement and transparency

Promoting transparency and accountability in procurement processes is important to ensuring fair competition, efficient procurement outcomes and responsible use of organisational resources. Our procurement systems support:

- Open access to procurement opportunities.
- Efficient supplier registration and tender submission.
- Improved communication between suppliers and procurement teams.
- Better visibility of procurement processes and requirements.
- Streamlined procurement administration and record management.

These systems help strengthen procurement integrity, improve operational efficiency and support fair participation in procurement activities across the organisation.

Procurement governance and compliance

Indicator	Unit	2023/24	2024/25	2025/26
Procurement audits conducted	Number			▲

Indicator	Unit	2023/24	2024/25	2025/26
Procurement-related non-compliance incidents identified	Number			▲
Confirmed procurement-related corruption incidents	Number			▲
Suppliers sensitised on ethical conduct and anti-corruption requirements	Number			▲
Procurement audits conducted	Number			▲

Governance and continuous improvement

Oversight of procurement and supply chain management activities is supported through governance structures involving procurement, finance, legal, operational, risk management and internal audit functions.

We continue strengthening responsible supply chain management practices aimed at improving:

- Procurement integrity and transparency.
- Supplier governance and accountability.
- Local supplier participation.
- Supplier awareness and capability development.
- Integration of environmental, social and governance considerations within procurement processes.
- Operational resilience and supply continuity.

Findings from supplier engagement, procurement reviews, audits, operational assessments and stakeholder feedback are used to strengthen procurement systems, supplier management approaches and governance controls across the organisation.

As operational requirements, stakeholder expectations and regulatory requirements continue to evolve, we remain committed to strengthening responsible procurement, supporting ethical supply chain practices and promoting transparency, accountability and responsible business conduct across our value chain.

Through these efforts, we seek to maintain a resilient, transparent and responsible supply chain that supports operational reliability, local economic participation and sustainable value creation across our operations and stakeholder relationships.

Ethics, Anti-Corruption, Transparency and Regulatory Compliance

The nature of our operations requires high standards of ethical conduct, transparency, accountability and regulatory compliance across all areas of the business. Our activities involve significant public interest responsibilities, regulatory oversight, procurement activities and engagement with government institutions, customers, contractors, suppliers and communities.

Potential governance and ethics-related risks associated with our operations may include:

- Corruption and bribery risks associated with procurement, contracting and supplier engagement activities.
- Conflicts of interest arising from operational, commercial or stakeholder interactions.
- Fraud, misuse of assets or unethical conduct.
- Regulatory non-compliance and breaches of operational or statutory requirements.
- Improper influence or unethical conduct in interactions with public institutions or external stakeholders.
- Reputational and operational risks arising from weak governance practices or lack of transparency.

Maintaining strong governance and integrity systems is therefore important to protecting public trust, supporting responsible business conduct and managing corruption, fraud, bribery and regulatory compliance risks that may arise within operational and commercial activities.

Stakeholder engagement undertaken during the materiality assessment process highlighted ethical conduct, transparency, anti-corruption measures, procurement integrity, regulatory compliance and accountable governance as important stakeholder priorities.

We are committed to conducting our business ethically, lawfully and transparently in accordance with applicable legal and regulatory requirements, internal governance frameworks and recognised standards of responsible business conduct.

Ethical conduct and governance culture

We promote a governance culture founded on integrity, accountability, professionalism and ethical conduct across all levels of the organisation. Our ethical conduct framework is supported by:

- The Code of Conduct.
- Anti-Corruption Policy.
- Bribery and Corruption Prevention Procedures.
- Gift Acceptance Declaration Policy.
- Whistleblower Policy.
- Procurement and supplier governance procedures.
- Internal audit and risk management processes.

These frameworks establish expectations relating to:

- Ethical business conduct.
- Conflict of interest management.
- Gifts and hospitality.

- Confidentiality and responsible use of information.
- Fair treatment of stakeholders.
- Responsible procurement and supplier engagement.
- Compliance with legal and regulatory requirements.

Employees, Board members and other applicable stakeholders are expected to uphold the principles contained within these governance frameworks as part of maintaining responsible business conduct across the organisation.

We continue to strengthen awareness of ethical conduct requirements through internal communication, sensitisation programmes, governance oversight processes and operational controls, aimed at embedding integrity across day-to-day activities and decision-making.

Anti-corruption and bribery prevention

We maintain systems and controls to prevent, detect and respond to corruption, bribery, fraud and other unethical conduct across our operational and commercial activities. Corruption risks may arise in areas such as:

- Procurement and contracting activities.
- Supplier and contractor engagement.
- Asset management and inventory control.
- Financial transactions and approvals.
- Infrastructure projects and maintenance activities.
- Regulatory interactions and external stakeholder engagement.

To manage these risks, we implement preventive and detective controls, including:

- Segregation of duties and approval controls.
- Procurement governance procedures.
- Due diligence processes for suppliers and contractors.
- Internal audits and compliance reviews.
- Financial and operational controls.
- Reporting and escalation mechanisms.
- Investigation and disciplinary procedures where required.

Anti-corruption expectations are also communicated to suppliers, contractors and service providers engaged in business activities associated with KPC operations.

We continue strengthening anti-corruption awareness and governance processes across the organisation through employee sensitisation programmes, policy communication, operational oversight activities and reinforcement of ethical conduct expectations across operational and commercial functions.

Anti-corruption awareness and compliance

Indicator	Unit	2023/24	2024/25	2025/26
Employees trained on anti-corruption and ethics requirements	Number			▲
Employees acknowledging the Code of Conduct	%			▲
Suppliers/contractors sensitised on ethical conduct requirements	Number			▲
Operations assessed for corruption risks	Number			▲
Employees trained on anti-corruption and ethics requirements	Number			▲

Whistleblowing and reporting mechanisms

We maintain reporting mechanisms that enable employees and stakeholders to raise concerns about unethical conduct, fraud, corruption, regulatory non-compliance, or other governance-related matters. Concerns may be reported through:

- Internal reporting channels.
- Whistleblower reporting mechanisms.
- Direct engagement with management.
- Internal audit and compliance processes.
- Formal complaints and reporting procedures.

The Whistleblower Policy supports confidential reporting and provides safeguards intended to protect reporting parties from retaliation or victimisation where concerns are raised in good faith.

Reported concerns are reviewed and investigated through established internal governance processes involving relevant management, compliance, audit and investigative functions, depending on the nature of the matter raised. Corrective actions arising from investigations may include:

- Management actions and corrective controls.
- Disciplinary processes.
- Policy and procedural improvements.
- Escalation to relevant authorities where required.

We continue to strengthen governance oversight and reporting systems to improve transparency, accountability and the timely resolution of reported concerns.

Whistleblower and ethics reporting performance

Indicator	Unit	2023/24	2024/25	2025/26
Whistleblower reports received	Number			▲
Whistleblower reports investigated	Number			▲
Whistleblower reports resolved	Number			▲
Confirmed incidents of corruption	Number			▲
Employees disciplined for ethics violations	Number			▲

Regulatory compliance and responsible business conduct

We operate within a regulated environment governed by legislation, regulations, licences, standards and operational requirements applicable to petroleum transportation, storage and infrastructure operations. Our regulatory compliance approach includes:

- Monitoring compliance obligations.
- Maintaining required licences and permits.
- Internal compliance reviews and audits.
- Engagement with regulators and oversight institutions.
- Incident reporting and corrective action processes.
- Policy and procedural reviews.

We engage with relevant regulatory authorities and government agencies on operational, environmental, safety and infrastructure-related matters associated with our activities.

Regulatory compliance responsibilities are integrated across operational and corporate functions to support consistent implementation of legal and regulatory requirements throughout the organisation.

Where instances of non-compliance or governance concerns are identified, corrective actions are implemented to strengthen controls, address root causes and improve compliance performance across the organisation.

Regulatory compliance performance

Indicator	Unit	2023/24	2024/25	2025/26
Incidents of regulatory non-compliance	Number			▲
Significant fines and penalties	KShs			▲
Confirmed incidents of non-compliance addressed through corrective action	Number			▲
Internal compliance audits conducted	Number			▲
Incidents of regulatory non-compliance	Number			▲

Public policy engagement and industry participation

As a strategic energy infrastructure company, we engage with government institutions, regulators, industry bodies and sector stakeholders on matters relating to petroleum transportation, infrastructure

development, safety, environmental management and sector operations. Our engagement with public institutions and industry stakeholders may include:

- Participation in sector consultations and technical forums.
- Engagement on infrastructure and operational matters.
- Collaboration on safety, environmental and regulatory initiatives.
- Participation in industry associations and working groups.
- Technical engagement relating to petroleum transportation infrastructure and energy sector operations.

These engagements support alignment with evolving regulatory requirements, operational standards and national energy infrastructure priorities.

We seek to maintain transparency and accountability in our interactions with regulators, public authorities and industry stakeholders and do not support improper influence, bribery or unethical conduct in public policy engagement processes.

*Public policy and stakeholder engagement activities** (2024/2025)*

Stakeholder Group	Engagement Method	Key Issues Discussed
Oil Marketing Companies (OMCs)	CEO Breakfast (30 April 2025), Supply Coordination Meetings (SCM)	Pipeline capacity, product availability, tariff review
Government / Regulators	Performance Contracting, EPRA, NEMA, DOSHS audits	Regulatory compliance, budget, policy
Employees	Town hall meetings, CBA negotiations, EAP, team building	Remuneration, working conditions, DEI
Communities (Pipeline RoW)	Local stakeholder engagements, grievance management	Environmental impact, CSI, employment
International Partners	Regional energy bodies (EAPTA, NCTTCA)	Cross-border petroleum supply, export
Financial Stakeholders	AGMs (2 held), Board meetings	Dividends, financial performance, audit

Indicator	Unit	2023/24	2024/25	2025/26
Industry and regulatory forums participated in	Number			▲
Stakeholder consultations attended	Number			▲
Public policy or technical working groups participated in	Number			▲
Regulatory engagement meetings held	Number			▲

Governance, oversight and continuous improvement

Oversight of ethics, anti-corruption, transparency and compliance matters is supported through governance structures involving the Board, management, internal audit, risk management and compliance functions. We continue strengthening governance systems aimed at improving:

- Ethical conduct and accountability.
- Corruption risk management.
- Transparency and reporting mechanisms.
- Regulatory compliance monitoring.
- Supplier and contractor governance.
- Internal awareness and governance culture.

Findings from audits, investigations, stakeholder engagement, risk assessments and compliance reviews are used to strengthen internal controls, governance processes and operational practices across the organization.

As governance expectations, regulatory requirements and stakeholder expectations continue to evolve, we remain committed to strengthening ethical leadership, promoting transparency, preventing corruption and supporting responsible business conduct across all areas of our operations.

Through these efforts, we seek to maintain public trust, strengthen organisational integrity and support safe, transparent and accountable petroleum transportation and storage operations.

Community Partnerships and Social Investment

Creating shared value beyond our operations

Our operations extend across 14 counties and communities through a pipeline network spanning more than 1,342 kilometres and 21 facilities, linking import, storage and distribution infrastructure across Kenya. Through this operational footprint, we interact with communities, public institutions, educational facilities, local leadership structures and community organisations located near our depots, pumping stations, terminals and pipeline corridors.

We recognise that our long-term success is closely linked to the wellbeing, resilience and development of the communities connected to our operations. Beyond maintaining safe and reliable infrastructure, we therefore seek to contribute to inclusive social and economic development through structured community investment, strategic partnerships and empowerment initiatives that respond to local priorities and national development needs.

Stakeholder engagements undertaken across operational areas highlighted the importance of:

- Education and youth empowerment.
- Environmental conservation and restoration.
- Community safety awareness.

- Access to water and social infrastructure.
- Inclusion of vulnerable and underserved groups.
- Skills development and livelihood opportunities.

These priorities continue to inform the implementation of our community investment programmes and stakeholder partnerships across operational areas.

The KPC Foundation

The KPC Foundation is the Company's dedicated platform for long-term social and environmental investment. Established in 2016 under a Trust Deed, the Foundation coordinates community investment initiatives aimed at improving livelihoods, strengthening resilience and supporting sustainable development across Kenya.

The Foundation focuses on six strategic pillars:

- Education and skills development.
- Health and sanitation.
- Water access.
- Environmental conservation.
- Economic empowerment.
- Humanitarian support and social inclusion.

Through these pillars, the Foundation seeks to support vulnerable and underserved groups, strengthen access to opportunities and contribute to long-term community wellbeing within regions connected to our operational footprint.

Flagship community social investment programmes — KPC Foundation

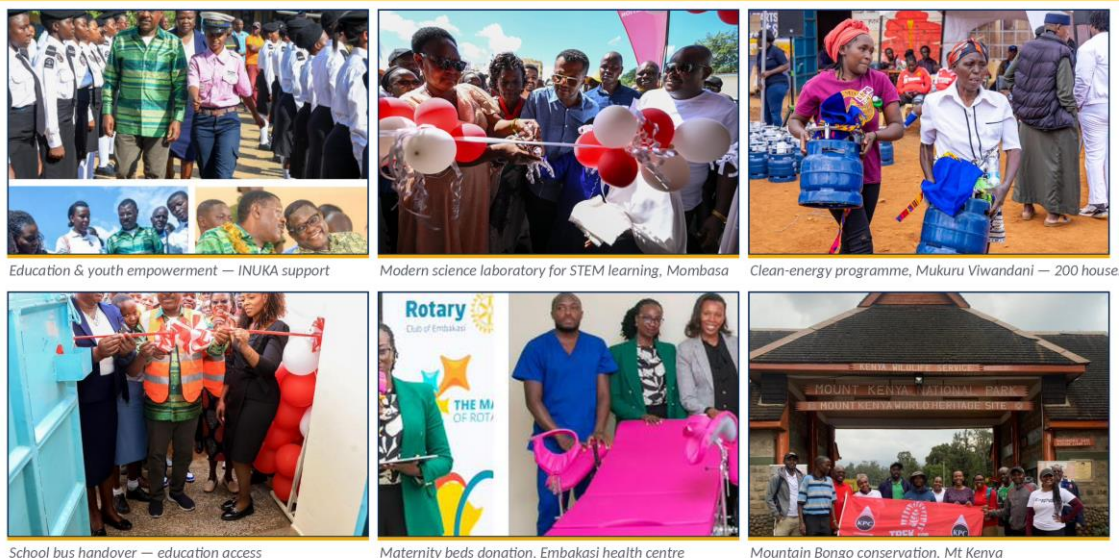


Figure 20: Flagship community social investment programmes

Our priority SDGs — nine goals mapped to GRI 11 material topics



SDG alignment of flagship CSI programmes

During FY2023/24, the Foundation implemented at least 43 community investment programmes valued at more than KSh 93 million across different parts of the country.

The Foundation therefore serves not only as a corporate social investment vehicle, but also as an important platform through which KPC contributes to inclusive development, social resilience and environmental stewardship.

Education and youth empowerment

Education remains the flagship pillar of the KPC Foundation and one of our most significant long-term social investment priorities.

INUKA Scholarship Programme

Through the INUKA Scholarship Programme, we support students with disabilities from financially disadvantaged backgrounds across all 47 counties. The programme seeks to promote educational inclusion and improve access to quality education for learners who may otherwise face significant barriers to educational opportunity.

The scholarship programme provides support for:

- Tuition fees.
- School uniforms.
- Assistive learning devices.
- Mentorship and psychosocial support.

Key achievements of the programme include:

- Support for more than 745 students with disabilities.
- Investment of more than KSh 120 million in scholarships.
- Annual enrolment of two students from each of the 47 counties.

To strengthen long-term educational impact, the Foundation also introduced the INUKA Plus programme, which provides tertiary education sponsorship for top-performing beneficiaries transitioning from secondary education. The initiative supports 25 students annually, with KPC committing approximately KSh 41 million each year towards tertiary education sponsorship.

Education infrastructure development

In addition to scholarships, the Foundation continues investing in educational infrastructure aimed at improving learning environments and increasing access to quality education.

During the reporting period, the Foundation invested approximately KSh 47 million in education infrastructure projects within the Nyanza region, including development of classrooms, laboratories, dormitories and administration blocks.

Projects implemented and commissioned during the year included:

- Construction of a 100-capacity girls' dormitory at Cardinal Otunga Girls Secondary School.
- Construction and equipping of a computer laboratory at On'geche Secondary School.
- Donation of a school bus to Rangala Boys Secondary School.
- Construction and equipping of classrooms and laboratories at Dr Idda Odinga Secondary School.

The Foundation also inspected and handed over completed projects, including:

- Construction of a kitchen at Kapchebet 'B' Primary School.
- Construction of an outpatient block at Momoniot Health Centre.

- Construction of a dining hall and kitchen block at Kilifi Township Secondary School.
- Construction of classrooms at Kipkanao Primary School.
- Construction of a laboratory at Chaani Primary School.
- Construction of a septic tank at Kapmaso Secondary School.
- Construction of an administration block at Kowuor Primary School.
- Construction of ECDE classrooms and ablution facilities at Timboywo Primary School.
- Borehole drilling and equipping at Set Kobor Primary School.

These investments contribute to improved learning conditions, increased enrolment capacity and stronger educational outcomes within beneficiary communities.

Morendat Institute of Oil and Gas (MIOG)

MIOG continues to play an important role in strengthening technical skills development and energy-sector capacity building within Kenya and the wider region.

Established by KPC as a specialised oil and gas training institution, MIOG operates campuses in Nairobi, Naivasha and Eldoret and provides technical training programmes supporting the development of competencies relevant to the petroleum, energy and infrastructure sectors.

While MIOG supports internal technical capacity development within KPC, its role extends significantly beyond the Company through partnerships and training programmes serving wider industry stakeholders across Kenya and East Africa.

During the reporting period:

- MIOG launched an International Certified Welder course aligned to ISO 9606 standards, providing trainees with globally recognised certification applicable across oil and gas, construction and manufacturing sectors.
- MIOG's nominee represented Kenya at the WorldSkills International Competition in Lyon, France following success in the Kenya National WorldSkills welding competition.
- MIOG continued delivering technical and sector training programmes through partnerships with institutions including KENGEN, EPRA, EWURA Tanzania, VTTI, Central Bank of Kenya and regional petroleum sector organisations.

MIOG also partnered with the KPC Foundation and the Centre for Rights Education and Awareness (CREAW) during the reporting period to provide fully sponsored vocational training for women survivors of gender-based violence aged between 18 and 35 years.

Training areas included:

- Welding and fabrication.
- Fibre optic installation.

- Electrical installation.
- Motor vehicle diagnostics.
- Fire safety.

These initiatives contribute to employability, economic empowerment and development of technical competencies required within Kenya's evolving energy and industrial sectors.

Environmental stewardship and green livelihoods

Environmental conservation remains an important component of our community investment approach and reflects our broader commitment to supporting ecosystem restoration, climate resilience and sustainable livelihoods within communities connected to our operations.

Through partnerships with CFAs, KFS, local communities and other environmental stakeholders, the KPC Foundation continues supporting ecosystem restoration and conservation initiatives aimed at rehabilitating degraded ecosystems, strengthening environmental stewardship and creating livelihood opportunities.

Key environmental achievements during the reporting period included:

- Continued implementation of the Narasha Forest Partnership in Kajiado County, which has supported planting of more than 750,000 trees while integrating community farming activities as a livelihood support mechanism.
- Restoration of mangrove ecosystems at Jomvu Kuu Creek through planting of more than 209,000 mangrove seedlings in collaboration with CFAs and environmental stakeholders.
- Afforestation and greening initiatives across operational areas including Samburu, Manyani, Mtito Andei, Makindu, Konza and Sultan Hamud, including distribution and planting of fruit tree seedlings.

Foundation-supported environmental initiatives also contributed to:

- Planting of more than 480,000 additional trees across inland and coastal restoration initiatives.
- Development of approximately 120 kilometres of forest fencing.
- Creation of more than 2,465 green jobs supporting conservation and ecosystem restoration activities.

Implementation of these programmes was undertaken in collaboration with KFS, Equity Group Foundation, the Office of the First Lady through the Mama Doing Good initiative, KDF, KN, Greens of Africa Foundation, CFAs, provincial administration structures and KPC employees.

These initiatives contribute not only to biodiversity restoration and environmental resilience, but also to community participation, livelihood creation and long-term stewardship of natural resources within operational landscapes.

Community wellbeing and humanitarian support

We continue to support selected projects aimed at improving community well-being and strengthening access to social infrastructure in areas connected to our operational footprint.

Projects implemented during the reporting period included:

- Provision of water storage facilities and piped water access for communities near Sinendet Depot in Nakuru County.
- Maintenance of local access roads used by both operational teams and surrounding communities.
- Support for youth initiatives such as the Usoma Youth Sports Programme in Kisumu County.

The Foundation also supported emergency and humanitarian response initiatives during the year, including:

- Donation of food supplies to vulnerable communities.
- Support for flood victims in Mukuru Kwa Ruben.
- Donation of KSh 1 million in support of victims affected by the Embakasi gas fire incident.

Community engagement and safety awareness programmes were also implemented within operational areas to strengthen local preparedness, environmental stewardship and infrastructure protection.

These interventions support community resilience and strengthen KPC's contribution to social wellbeing during periods of vulnerability and emergency.

Partnerships and collaboration

Implementation of community investment and environmental initiatives relies on collaboration with a broad range of stakeholders and institutional partners.

During the reporting period, we collaborated with:

- NGAOs and local leadership structures.
- CFAs and community-based organisations.
- KFS and environmental agencies.
- CREAM and MIOG.
- Educational institutions and local communities.
- Development and conservation partners.

These partnerships strengthen implementation capacity, improve community participation and support long-term sustainability of community investment programmes across operational areas.

Looking ahead

As we continue modernising and expanding energy infrastructure, strengthening community partnerships and creating sustainable social impact will remain important priorities.

Going forward, we will continue focusing on:

- Expanding access to education and technical skills development opportunities.
- Strengthening empowerment programmes targeting youth, women and vulnerable groups.
- Supporting environmental stewardship and green livelihood initiatives.
- Enhancing community wellbeing and resilience through targeted social investments.
- Strengthening partnerships with local institutions, educational organisations and communities.

Through these efforts, we seek to create long-term shared value by supporting inclusive development, strengthening social resilience and contributing to sustainable national growth within communities connected to our operations.

GRI Content Index

In accordance with GRI 1: Foundation 2021, an organisation reporting with reference to the GRI Standards must provide a GRI Content Index. The index below maps each applicable disclosure to its location in this report.

GRI 2: General Disclosures 2021

Legend

Disclosed

GRI Disclosure

GRI 2: General Disclosures 2021

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GRI 202: Market Presence

GRI 202-1

GRI 202-2

GRI 203: Indirect Economic Impacts

GRI 203-1

GRI 203-2

GRI 204: Procurement Practices

GRI 204-1

GRI 205: Anti-Corruption

GRI 205-1

GRI 205-2

GRI 205-3

GRI 302: Energy

GRI 302-1

GRI 302-4

GRI 303: Water and Effluents

GRI 303-1

GRI 303-2

GRI 303-3

GRI 303-4

GRI 303-5

GRI 304: Biodiversity

GRI 304-1

GRI 304-2

Legend

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GRI 306: Waste

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GRI 308: Supplier Environmental Assessment

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GRI 401: Employment

GRI 401-1

GRI 401-2

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GRI 402: Labour/Management Relations

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GRI 403: Occupational Health and Safety

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GRI 404: Training and Education

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GRI 405: Diversity and Equal Opportunity

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GRI 405-2

GRI 406: Non-Discrimination

GRI 406-1

GRI 407: Freedom of Association and Collective Bargaining

GRI 407-1

GRI 408/409: Child and Forced Labour

GRI 408-1

GRI 409-1

GRI 413: Local Communities

GRI 413-1

GRI 413-2

GRI 414: Supplier Social Assessment

GRI 414-1

GRI 414-2

GRI 415: Public Policy

GRI 415-1

GRI 416: Customer Health and Safety

GRI 416-1

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GRI 418: Customer Privacy

GRI 418-1

GRI 11: Oil and Gas Sector 2021 (Sector Standard)

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Appendices

Appendix A: SASB Content Index — Oil & Gas: Midstream (EM-MD)

The table below maps KPC's disclosures to the SASB Oil & Gas – Midstream industry standard. Where a metric is not yet tracked, the status column provides guidance for future population.

Code	SASB metric	KPC response / location	Status
EM-MD-110a.1	Gross global Scope 1 emissions; % methane; % covered by emissions-limiting regulations	Scope 1: 1,508.25 tCO ₂ e (Climate chapter). Methane share not separately quantified	Partial ▲ – quantify CH ₄ and regulatory coverage in FY2025/26 inventory
EM-MD-110a.2	Long- and short-term strategy to manage Scope 1 emissions, targets and performance	Decarbonisation roadmap; –29% Scope 1+2 by 2030 (SBTi WB2°C)	Disclosed
EM-MD-120a.1	Air emissions: NO _x , SO _x , VOCs, PM ₁₀	Not yet quantified (GRI 305-7 gap)	▲ – establish stack/fugitive monitoring programme
EM-MD-160a.1	Ecological impact management in design, siting and operations	Biodiversity chapter; ESIA processes; restoration programmes	Disclosed
EM-MD-160a.2	% land owned/leased in or near protected conservation status or endangered species habitat	Not yet quantified	▲ – GIS overlay of pipeline corridor vs protected areas

Code	SASB metric	KPC response / location	Status
EM-MD-160a.3	Terrestrial acreage disturbed; % impacted area restored	170 ha under restoration (Biodiversity chapter); disturbed acreage not tracked	Partial ▲
EM-MD-160a.4	Number and aggregate volume of hydrocarbon spills; volume in Arctic/unusually sensitive areas; volume recovered	24 product spillage incidents FY2024/25 (Safety chapter); volumes and recovery rates not yet aggregated	Partial ▲ – capture spill volumes (bbl) and recovery % per incident
EM-MD-520a.1	Legal proceedings associated with federal pipeline and storage regulations	No material proceedings disclosed; monetary losses: nil reported	Disclosed
EM-MD-540a.1	Number of reportable pipeline incidents; % significant	56 total incidents FY2024/25; significance classification per PHMSA-equivalent criteria not yet applied	Partial ▲
EM-MD-540a.2	% natural gas and hazardous liquid pipelines inspected	Pipeline integrity programme in place; annual % inspected to be disclosed	▲ – report km inspected/total km
EM-MD-540a.3	Accident and Incident Response expenditure	Not separately disclosed	▲ – tag emergency-response spend in cost accounts
EM-MD-540a.4	Management systems used to integrate a culture of safety and emergency preparedness	ISO 45001, ISO 14001, ERM, SOCA programme, OSMAG mutual aid (Safety chapter)	Disclosed
EM-MD-000.A	Total metric tonne-kilometres of transported hydrocarbons	Throughput 9,061,292.82 m ³ FY2024/25; tonne-km conversion to be established	Partial ▲
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Appendix B: IFRS S1 & S2 Content Index

Requirement	Location in report	Status
S1/S2 Governance – oversight bodies and management’s role	Governance Structures; Board ESG oversight	Disclosed
S2 Strategy – climate-related risks and opportunities	Climate chapter: risks & opportunities table	Disclosed (qualitative)
S2 Strategy – effects on business model and value chain	Climate chapter narrative	Partial ▲ – quantify effects
S2 Strategy – transition plan	Decarbonisation roadmap (three phases)	Disclosed
S2 Strategy – climate resilience / scenario analysis	Not yet undertaken	▲ – conduct scenario analysis (e.g. 1.5°C, WB2°C, current-policies)

Requirement	Location in report	Status
S1/S2 Risk management – processes to identify, assess and manage risks	Risk Management section; ERM framework	Disclosed
S2 Metrics – Scope 1, 2, 3 GHG emissions (GHG Protocol)	Climate chapter: 1,508.25 / 8,003.90 / 16,611.57 tCO ₂ e	Disclosed
S2 Metrics – Scope 2 market-based figure	Location-based only	▲ – obtain supplier-specific/market instruments data
S2 Metrics – industry-based metrics (SASB EM-MD)	Appendix A	Partial ▲
S2 Targets – GHG reduction targets and progress	Decarbonisation roadmap targets table	Disclosed (directional; SBTi validation pending)
S1 – connected financial information	Financial performance section; quantification of climate effects pending	Partial ▲

Appendix C: Data-gap guidance notes for FY2025/26 population

The symbol ▲ used throughout this report denotes data points to be populated in the FY2025/26 reporting cycle. The table below consolidates the principal gaps identified during preparation of this baseline report and provides guidance for their population.

Disclosure	Data required	Guidance for population
GRI 2-18	Board evaluation outcomes FY2024/25–FY2025/26	Obtain annual Board evaluation report from Company Secretary; summarise process and outcomes
GRI 2-21	Annual total compensation ratio	Compute ratio of highest-paid individual to median employee compensation from payroll records
GRI 2-30	Collective bargaining coverage (%)	HR to report unionisable staff covered by the KPOWU CBA as a share of total workforce
GRI 11-13 (utilisation)	Average pipeline utilisation rate; capital expenditure on infrastructure; number of pipeline systems in operation	Operations and Finance to compile throughput vs installed capacity and capex ledger annually
GRI 303 / GRI 11-6	Effluent generated, treated and discharged (m ³); % samples meeting standards	SHE to consolidate effluent logs and NEMA compliance sampling per facility
GRI 11-6 (marine)	Marine spill response exercises, joint drills, personnel trained, facilities covered by response plans	SHE/OSMAG to log drills and training registers at coastal facilities

Disclosure	Data required	Guidance for population
GRI 11-8	Soil and groundwater protection indicators	Establish monitoring wells/soil sampling programme along priority corridor segments
GRI 305-6 / 305-7	ODS and NO _x /SO _x /other significant air emissions	Introduce refrigerant registers and stack/fugitive emission monitoring
Scope 2 (market-based)	Market-based electricity emission factor data	Engage Kenya Power on supplier-specific factors and renewable energy certificates
Scope 3 Category 11	Use of sold/transported products assessment	Evaluate applicability of use-phase emissions of transported products; document inclusion or justified exclusion
Scope 3 Cat 6 & 7	Business travel and employee commuting activity data	Deploy travel-log capture and staff commuting survey (≥80% response target)
Financial FY2025/26	Audited revenue, PBT, PAT, total assets	Populate on sign-off of FY2025/26 audited financial statements
Safety FY2025/26	Incident register, TRIFR, LTIFR, SOCA	SHE quarterly consolidation, annualised at year-end
Energy & GHG FY2025/26	Fuel, electricity and refrigerant activity data	Run the annual GHG assessment against the FY2024/25 base year using the established inventory model